

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>04/01/2021</u> and ending <u>03/29/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☒ the final return/report ☐ an amended return/report ☒ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>KRIZ-DAVIS COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1974</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>45-0275004</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>701-293-5834</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>423600</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1974</u>		2b Employer Identification Number (EIN) <u>45-0275004</u>		2c Plan Sponsor's telephone number <u>701-293-5834</u>		2d Business code (see instructions) <u>423600</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>										
1c Effective date of plan <u>07/01/1974</u>											
2b Employer Identification Number (EIN) <u>45-0275004</u>											
2c Plan Sponsor's telephone number <u>701-293-5834</u>											
2d Business code (see instructions) <u>423600</u>											
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>BORDER STATES INDUSTRIES, INC.</u> <u>P. O. BOX 2767</u> <u>FARGO, ND 58108-2767</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/30/2022	JEREMY WELSAND
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	239
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)	102
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2O 2Q			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 04/01/2021 and ending 03/29/2022		
A Name of plan KRIZ-DAVIS COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BORDER STATES INDUSTRIES, INC.	D Employer Identification Number (EIN) 45-0275004	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	31223	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	1d(1) 1051636	0
(2)	Employer real property.....	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f 1082859	0
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness.....	1i	
j	Other liabilities.....	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f).....	1l 1082859	0

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers).....	2a(1)(C)	
(2)	Noncash contributions.....	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)	0
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A) 65	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans.....	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)	65
(2)	Dividends: (A) Preferred stock.....	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A) 0	
	(B) Other	2b(5)(B) 0	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		8291487
d Total income. Add all income amounts in column (b) and enter total.....	2d		8291552
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	9374411	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		9374411
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		9374411
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-1082859
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

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

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: REGIER CARR & MONROE LLP

(2) EIN: 48-0573184

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No If "Yes," enter the amount of any plan assets that reverted to the employer this year 0			
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 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 04/01/2021 and ending 03/29/2022

A Name of plan KRIZ-DAVIS COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 BORDER STATES INDUSTRIES, INC.	D Employer Identification Number (EIN) 45-0275004

Part I	Distributions
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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	1051636
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): 20-1171923		
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.)
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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
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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
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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.
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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

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Schedule R (Form 5500) 2021
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Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year

15b

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

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

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

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____

**KRIZ-DAVIS COMPANY
EMPLOYEE STOCK
OWNERSHIP PLAN**

FINANCIAL STATEMENTS

March 29, 2022 and March 31, 2021



**KRIZ-DAVIS COMPANY
EMPLOYEE STOCK
OWNERSHIP PLAN**

FINANCIAL STATEMENTS

March 29, 2022 and March 31, 2021

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

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March 29, 2022 and March 31, 2021

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Independent Auditor's Report

Plan Committee
Kriz-Davis Company Employee Stock Ownership Plan
Fargo, North Dakota

Opinion on the 2022 Financial Statements

We have audited the financial statements of the Kriz-Davis Company Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits – in liquidation as of March 29, 2022, and the related statement of changes in net assets available for benefits – in liquidation for the final plan year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of March 29, 2022, and the changes in its net assets available for benefits for the final plan year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion on the 2022 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2022 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.

Plan Termination and Liquidation Basis of Accounting

As discussed in Note 1 to the financial statements, the governing body of the Plan approved a plan of termination on August 25, 2017, and the final distribution of the Plan's assets occurred on March 29, 2022. As a result, the Plan used the liquidation basis of accounting for the 2022 and 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 2022 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 that the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the 2022 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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.

2022 Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the 2022 financial statements as a whole. The supplemental Schedule H, Line 4i-Schedule of Assets (Held at End of Year) as of March 29, 2022, 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 (DOL) 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 audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

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 DOL'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 2022 financial statements as a whole, and the form and content is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Other Matter

Auditor's Report on the 2021 Financial Statements

We were engaged to audit the 2021 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated January 12, 2022, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2021 financial statements, and (b) the form and content of the information included in the 2021 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Regier Can E Mamon, CPA

Wichita, Kansas
August 26, 2022

KRIZ - DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS -
IN LIQUIDATION

March 29, 2022 and March 31, 2021

	2022	2021
ASSETS:		
INVESTMENTS, AT FAIR VALUE:		
Cash equivalents	\$ -	\$ 31,223
Sponsor Company common stock	-	1,051,636
TOTAL INVESTMENTS, AT FAIR VALUE	-	1,082,859
RECEIVABLE:		
Sale proceeds escrow receivable	-	8,291,487
TOTAL ASSETS	-	9,374,346
TOTAL LIABILITIES	-	-
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ -	\$ 9,374,346

See accompanying notes.

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN
BENEFITS - IN LIQUIDATION

Final Plan Year Ended March 29, 2022

	<u>2022</u>
ADDITIONS TO NET ASSETS	
ATTRIBUTED TO:	
Investment income (loss):	
Interest and dividends	\$ 65
TOTAL ADDITIONS	<u>65</u>
DEDUCTIONS FROM NET ASSETS	
ATTRIBUTED TO:	
Distributions to participants	9,121,169
Distributions to participants rolled into affiliated Border	
States Industries, Inc. ESOP	235,633
Distributions to participants rolled into affiliated Border	
States Industries, Inc. 401k Plan	<u>17,609</u>
TOTAL DEDUCTIONS	<u>9,374,411</u>
NET INCREASE (DECREASE)	(9,374,346)
Net assets available for plan benefits -	
beginning of year	<u>9,374,346</u>
NET ASSETS AVAILABLE FOR	
PLAN BENEFITS-END OF YEAR	<u><u>\$ -</u></u>

See accompanying notes.

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

March 29, 2022 and March 31, 2021

NOTE 1: DESCRIPTION OF THE PLAN

The following description of the Kriz-Davis Company Employee Stock Ownership Plan (the Plan) is provided for general information purposes only and includes provisions of the Plan which became effective as a result of the termination of the Plan described below. Participants should refer to the plan agreement for complete information. References to the Company within this note refer to Border States Industries, Inc.

General

Kriz-Davis Company established the Plan originally effective July 1, 1974 and most recently restated July 1, 2015 to reflect all prior modifications since July 1, 2010 as well as reflecting the Kriz-Davis Company's election to be treated as a small business corporation as defined in Section 1361(a) of the Code which was effective July 1, 2014. The Plan was amended on August 25, 2017, and February 23, 2018, to facilitate the termination of the Plan as described below. The Plan was also amended effective March 31, 2019 to amend certain definitions of the Plan related to organizational changes at the employer and plan sponsor as described below.

On August 28, 2017, Kriz-Davis Company was acquired by Border States Industries, Inc. through a stock acquisition agreement, and Border States Electric Supply of Nebraska, Inc. was incorporated as a wholly-owned subsidiary and named employer and plan sponsor. Border States Industries, Inc. is primarily a distributor of electrical supplies to utility companies, industrial accounts, and construction contractors. The Company has over 100 branches in 23 states.

Effective March 31, 2019, Border States Electric Supply of Nebraska, Inc. was merged into Border States Industries, Inc. As a result of this merger, Border States Electric Supply of Nebraska, Inc. ceased to exist and Border States Industries, Inc. became the employer and plan sponsor of the Plan.

The Plan operates as an employee stock ownership plan (ESOP), and is designed to comply with Internal Revenue Code Section 4975(e)(7), and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Plan Committee appointed by the Board of Directors of the Company. The Plan Committee is the named fiduciary of the Plan and is also responsible to provide direction and administrative instruction to the Plan's trustee, TI TRUST, Inc.

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Plan Termination

On July 28, 2017, the Kriz-Davis Company entered into an agreement for the sale of stock to Border States Industries, Inc., effective August 28, 2017. As a result of this transaction, Kriz-Davis Company adopted an amendment to terminate the Plan with an effective date of August 28, 2017. In conjunction with this transaction, Kriz-Davis Company and the Plan entered into a stock redemption agreement as of August 25, 2017, to facilitate the redemption of a certain number of shares of stock pledged as collateral on its securities acquisition loans to repay the notes in full in compliance with Treasury Regulation Section 54.4975-11(d)(5). The shares remaining in the Plan following the redemption, which were previously unallocated, were then released as trust income and allocated to the participant accounts in accordance with the terms of the amendment. As of August 28, 2017, all shares remaining in the Plan were transferred to the Company and newly issued shares of the Company's common stock were transferred to the Plan and allocated to participants in accordance with the terms of the stock acquisition agreement and the amendment.

The IRS approved the Plan's termination as of September 24, 2018 and distributions to participants are made in accordance with the provisions of the Plan as described under payment of benefits below. The remaining assets in the Plan were distributed in full as of March 29, 2022.

Employer Contributions

In accordance with the plan amendment dated August 25, 2017, no further employer contributions shall be made to the Plan for any plan year beginning after August 28, 2017, the plan termination effective date.

Eligibility

In accordance with the plan amendment dated August 25, 2017, no new employees are eligible to participate in the plan as of August 28, 2017, the plan termination effective date.

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Payment of Benefits

In accordance with the plan amendment dated August 25, 2017, payment of benefits is to be made as follows:

All benefit payments are made in the form of shares of common stock of the Company and cash. In addition, participants are eligible to receive a distribution of their proportionate share of any funds received by the Plan attributable to the escrow, post-closing expense fund and the reserve fund as described in Note 9. These distributions were to be made as soon as administratively feasible following the Plan's receipt and allocation of such amounts. All assets were distributed from the Plan as of March 29, 2022.

Following IRS approval of the plan termination as of September 24, 2018, participants were given the following benefit payment options: (1) rollover funds to the Border States Industries, Inc. Employee Stock Ownership Plan, (2) rollover funds to other qualified accounts or plans, (3) having funds paid directly to them, (4) holding funds within the Plan pending additional distributions of escrow, post-closing expense and reserve funds as described in Note 9, or (5) a combination of these options.

For the final plan year ended March 29, 2022, participants elected to roll 0 shares and \$235,633 of their distributed accounts into the affiliated Border States Industries, Inc. Employee Stock Ownership Plan. In addition, \$17,609 was rolled into the affiliated Border States Industries 401(k) Plan for those participants that did not make a distribution election in accordance with the provisions of the Plan. For the year ended March 31, 2021, participants elected to roll 0 shares and \$0 of their distributed accounts into the affiliated Border States Industries, Inc. Employee Stock Ownership Plan.

Administrative Expenses

Normal brokerage charges, if any, shall be paid by the Plan. All expenses in connection with the termination of the Plan and all costs of administering the Plan shall be paid from funds escrowed pursuant to the stock acquisition agreement as described in Note 9 or by the Company.

Vesting and Forfeitures

In accordance with the plan amendment dated August 25, 2017, effective as of the plan termination effective date of August 28, 2017, all participants who had not incurred a forfeiture as of June 30, 2016, became 100% vested as of July 1, 2016.

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Voting Rights

In accordance with the plan amendment dated February 23, 2018, all Company common stock held by the Plan shall be voted by the trustee in accordance with instructions from the Plan Committee. Each participant is entitled to direct the trustee as to the voting of any voting shares of Company common stock allocated to their accounts with respect to any vote required for the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all the assets of a trade or business, or other similar transactions prescribed by regulation.

Put Option

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

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 in accordance with the terms of the Plan with an allocation of any Plan earnings and expenses.

In accordance with the plan amendment dated August 25, 2017, the proceeds of the sale of the Kriz-Davis Company stock pursuant to the stock acquisition agreement, including additional distributions of escrow, post-closing expense and reserve funds, are allocated to each participant's account in the ratio in which the cumulative number of shares allocated to the participant's stock account as of the plan termination effective date of August 28, 2017 (after the allocation of contributions, forfeitures and released shares, if applicable, as of that date), bore to the total cumulative number of shares of stock allocated to the accounts of all participants as of that date (after the allocation of contributions, forfeitures and released shares, if applicable).

Gains on other investments held by the Plan are allocated to participant accounts in the ratio that the participant's other investments account bears to the total.

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 1: DESCRIPTION OF THE PLAN (CONTINUED)

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares in 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

In accordance with ASC 205-30, the financial statements of the Plan are prepared on the liquidation basis of accounting due to the decision to terminate the Plan effective August 28, 2017. See Plan Termination and Payment of Benefits under Note 1 for additional information.

Estimates

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

Risks and Uncertainties

The Plan's investments consisted of the Sponsor Company's common stock and a money market investment fund. Investments are exposed to various risks such as interest rate, market, and credit risks. In addition, the Sponsor Company common stock was exposed to risk of valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investments and uncertainties inherent in the estimations and assumptions process for the Sponsor Company common stock, it was at least reasonably possible that changes in the values of the investments would occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

Under the liquidation basis of accounting, income expected to be earned through the end of liquidation should be accrued if and when a reasonable basis for estimation exists. For the year ended March 31, 2021, because the Plan invested in investment securities which were expected to change as liquidation progresses, plan management did not believe a reasonable basis for estimation existed, and only investment income through the end of the plan year was accrued. In addition, based on the investments included in the Plan and the plan for benefit payments as described in Note 1, plan management believed the liquidation value of investments was appropriately measured at fair value.

The shares of Company common stock were valued at fair value. See Note 7 for discussion of fair value measurements. Investments other than common stock of the Company were also reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Dividend income was accrued on the ex-dividend date. Purchases and sales of securities were recorded on a trade-date basis. Realized gains and losses from security transactions were reported on the average cost method. Net appreciation (depreciation) included the Plan's gains and losses on investments bought and sold as well as held during the year.

NOTE 3: TAX STATUS

The Plan received its most recent determination letter from the Internal Revenue Service (IRS) on September 24, 2018, stating that the Plan, including the termination of the Plan, is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Although the Plan has been amended since receiving the determination letter, the plan administrator and the third-party administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore believe that the Plan is qualified and the related trust is tax-exempt.

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

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 4: ADMINISTRATION OF PLAN ASSETS

All assets were held by the trustee. Investments were managed by the trustee as directed by the Plan Committee or an investment manager appointed by the Plan Committee.

Certain administrative functions are performed by the Seller Representatives identified in the stock acquisition agreement or officers or employees of the Company. No such individual receives compensation from the Plan.

NOTE 5: INFORMATION CERTIFIED BY THE TRUSTEE (Unaudited)

For the year ended March 31, 2021, plan management elected the method of compliance permitted by 29 CFR 2520.103-8 for the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

TI-TRUST, Inc., the trustee of the Plan, certified to the completeness and accuracy of the cash equivalents and shares of Sponsor Company common stock reflected on the statement of net assets available for benefits – in liquidation as of March 31, 2021.

NOTE 6: INVESTMENTS

The Plan's investment in Sponsor Company common stock at March 31, 2021, is presented in the following table. This investment was held by TI-TRUST, Inc. (trustee).

	<u>2021</u> <u>Allocated</u>
Border States Industries, Inc. Common Shares:	
Number of shares	<u>552.949</u>
Cost	<u>807,327</u>
Estimate of fair value as determined by appraisal	<u>1,051,636</u>

Other investments as of March 31, 2021, were as follows:

	<u>2021</u> <u>Cost</u>	<u>Fair Value</u>
Cash equivalents	<u>31,223</u>	<u>31,223</u>

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 7: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value at March 31, 2021.

Cash equivalents

Valued at the closing price reported in the active market in which the individual money market funds are traded.

(Continued on next page)

KRIZ-DAVIS COMPANY

EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 7: FAIR VALUE MEASUREMENTS (CONTINUED)

Sponsor Company common stock

The fair value of the Border States Industries, Inc. common stock held by the Plan was valued at fair value based upon an independent appraisal. This appraisal was based upon consideration of the guideline public company method, merger and acquisition method, and discounted cash flow method, with more relevance placed on the discounted cash flow method. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. The appraiser also concluded that a market participant would recognize a discount for lack of marketability.

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 were appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	31,223	0	0	31,223
Border States Industries, Inc. common stock	<u>0</u>	<u>0</u>	<u>1,051,636</u>	<u>1,051,636</u>
Total assets at fair value	<u>31,223</u>	<u>0</u>	<u>1,051,636</u>	<u>1,082,859</u>

For the final plan year ended March 29, 2022, and the plan year ended March 31, 2021, assets totaling \$1,051,636 and \$514,046 were distributed to participants out of the Plan's level 3 assets, respectively. There were no purchases, issues, transfers in or transfers out.

NOTE 8: RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invested in Sponsor Company common stock. This is a related party and party-in-interest transaction.

The Plan has a number of service providers including its trustee (see Note 4), third-party administrator and auditor. Such parties are parties-in-interest under ERISA and fees paid for these services qualify as exempt party-in-interest transactions.

(Continued on next page)

KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 29, 2022 and March 31, 2021

NOTE 9: SALES PROCEEDS ESCROW

In accordance with the stock acquisition agreement as described in Note 1, certain escrow, post-closing expense and reserve funds were established to facilitate the completion of the transaction and remaining funds following the completion of the transaction were to be remitted to the Plan as income from the sale, allocated and distributed to participants as soon as administratively feasible.

During the final plan year ended March 29, 2022, remaining escrow, post-closing expense and reserve funds of \$8,291,487 were received by the Plan. These funds were allocated to participant accounts as of September 30, 2021 and were fully distributed as of March 29, 2022. These funds were presented as income in the Plan, receivable as of March 31, 2021, in accordance with the liquidation basis of accounting.

NOTE 10: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits and changes in net assets available for benefits per the financial statements to Form 5500 as of March 31, 2021 and for the final year ended March 29, 2022. There were no reconciling items to the statement of net assets available for benefits as of March 29, 2022.

	<u>2021</u>
Net assets available for benefits per the financial statements	9,374,346
Sale proceeds escrow receivable per the financial statements not reported on Form 5500	<u>(8,291,487)</u>
Net assets available for benefits per Form 5500	<u>1,082,859</u>
	<u>2022</u>
Net increase (decrease) per the financial statements	(9,374,346)
Receipt of sale proceeds from escrow reported on Form 5500 previously reported as receivable on financial statements	<u>8,291,487</u>
Net income (loss) per Form 5500	<u>(1,082,859)</u>

NOTE 11: SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through August 26, 2022, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

**KRIZ-DAVIS COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN**

EIN 45-0275004 Plan No. 001

Form 5500 - Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 29, 2022

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Shares	(e) Cost	(f) Current Value
	<u>CASH EQUIVALENTS</u>				
	FEDERATED	FEDERATED HERMES TREASURY OBLIGATIONS MONEY MARKET FUND 60934N500	0.000	-	-
	<u>SPONSOR COMPANY COMMON STOCK</u>				
**	BORDER STATES INDUSTRIES, INC.	BORDER STATES INDUSTRIES, INC. COMMON STOCK	0.000	-	-
	GRAND TOTAL		<u>0.000</u>	<u>-</u>	<u>-</u>

** Represents party-in-interest to the Plan.

EL DORADO	117 W. CENTRAL AVE.	EL DORADO, KS 67042-2105	316-321-1150
TUCSON	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
TULSA	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-271-5400
WAGONER	509 S. MCQUARRIE AVE.	WAGONER, OK 74467-6223	918-485-5531
WICHITA	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2994	316-264-2335

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 2021 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2021 or fiscal plan year beginning <u>04/01/2021</u> and ending <u>03/29/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☒ the final return/report ☐ an amended return/report ☒ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ☐	
D Check box if filing under:	☐ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ☐	

Part II Basic Plan Information—enter all requested information		
1a Name of plan KRIZ-DAVIS COMPANY EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶	001
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) Border States Industries, Inc. P. O. Box 2767 Fargo ND 58108-2767		
1c Effective date of plan 07/01/1974		
2b Employer Identification Number (EIN) 45-0275004		
2c Plan Sponsor's telephone number 701-293-5834		
2d Business code (see instructions) 423600		

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		8/26/2022	JEREMY WELSAND
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2021)
v. 201209

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 239
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	 6a(1) 102 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2O 2Q b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 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, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan: Kriz-Davis Company Employee Stock Ownership Plan

► Border States Industries, Inc.

Employer Identification Number: ► 45-0275004

For plan year (beginning/ending): ► 04/01/2021-03/29/2022

Plan number:► 001

[illegible]