

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
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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.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ 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 EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/1976
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) JAYNES COMPANIES P.O. BOX 26841 ALBUQUERQUE, NM 87125-6841
2b	Employer Identification Number (EIN) 85-0172050
2c	Plan Sponsor's telephone number 505-345-8591
2d	Business code (see instructions) 236200

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2024	JENNIFER DEAL
	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 ☒ 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	5 247
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(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) 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) 126 6a(2) 152 6b 0 6c 82 6d 234 6e 0 6f 234 6g(1) 247 6g(2) 228 6h 5
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

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

2E 2H 2J 2K 2P 2Q 2S 2T 3H 3I

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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
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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
- (4)** ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5)** ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information) – Number Attached 0
- (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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	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 EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 JAYNES COMPANIES	D Employer Identification Number (EIN) 85-0172050

Part I

Service Provider Information (see instructions)

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

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

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

X

YesNo
- b

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

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

BOKF, NAPO BOX 880TULSA, OK 74101

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

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

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

BOKF, NA

PO BOX 880
TULSA, OK 74101

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
25 62 64 37 28 19 52 59 60 63 68	TRUSTEE	49108	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

REDW LLC

7425 JEFFERSON ST NE
ALBUQUERQUE, NM 87109

85-0203431

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 34	APPRAISER	29093	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CLIFTONLARSONALLEN LLP

PO BOX 31001-2443
PASADENA, CA 91110-2443

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	15830	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

SENTINEL BENEFITS GROUP, LLC

100 QUANNAPOWITT PARKWAY, SUITE 300
WAKEFIELD, MA 01880

38-3944313

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RECORDEEPER/TPA	15118	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 JAYNES COMPANIES	D Employer Identification Number (EIN) 85-0172050	

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	14013	467
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)	0	19308
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	837620	631254
(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)	41465	83686
(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)	9371431	11206096
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	19614551	20698602
(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	29879080	32639413
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	1024866	1523244
i Acquisition indebtedness	1i		
j Other liabilities	1j	2239	2391
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1027105	1525635
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	28851975	31113778

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)	1593958	
(B) Participants	2a(1)(B)	859734	
(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)		2453692
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	2848	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2848
(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)	297220	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		297220
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	5042062	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	4956799	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		85263
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1084051	
(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)		1261269
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		5184343

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2813822	
(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)		2813822
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)	42710	
(4) IQPA audit fees.....	2i(4)	15830	
(5) Investment advisory and investment management fees	2i(5)	10412	
(6) Bank or trust company trustee/custodial fees	2i(6)	7297	
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)	29093	
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	3376	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		108718
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2922540

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2261803
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: **CLIFTONLARSONALLEN LLP**

(2) EIN: **41-0746749**

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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		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?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
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.			

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

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 JAYNES COMPANIES	D Employer Identification Number (EIN) 85-0172050

Part I	Distributions
--------	---------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 73-6210970 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)? If the plan is a defined benefit plan, go to line 8.	☐ Yes ☐ No ☐ N/A
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
---	--

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes ☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes ☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes ☐ No

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

Schedule R (Form 5500) 2023
v. 230707

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) 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) 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)	14a 14b 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 b The corresponding number for the second preceding plan year	15a 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 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	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) 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
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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 <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q704072A</u> .	

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)**

**FINANCIAL STATEMENTS AND
ERISA-REQUIRED SUPPLEMENTAL SCHEDULE**

YEARS ENDED DECEMBER 31, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Employee Stock Ownership 401(k) Plan and Trust
for Employees of Jaynes Corporation (KSOP)
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

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

We have performed audits of the accompanying financial statements of the Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation (KSOP) (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of and for the years ended December 31, 2023 and 2022, stating that the certified investment information, as described in Note 11 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 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 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 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.

Board of Directors
Employee Stock Ownership 401(k) Plan and Trust
for Employees of Jaynes Corporation (KSOP)

- 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 Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation'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 Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) as of 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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

Board of Directors
Employee Stock Ownership 401(k) Plan and Trust
for Employees of Jaynes Corporation (KSOP)

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



CliftonLarsonAllen LLP

Albuquerque, New Mexico
October 1, 2024

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022**

	2023				2022			
	Participant Directed	Nonparticipant Allocated	Directed Unallocated	Total	Participant Directed	Nonparticipant Allocated	Directed Unallocated	Total
ASSETS								
INVESTMENTS (at Fair Value)								
The Jaynes Companies Common Stock at Estimated Fair Value	\$ -	\$ 18,961,879	\$ 1,736,723	\$ 20,698,602	\$ -	\$ 18,411,488	\$ 1,203,063	\$ 19,614,551
Mutual Funds	11,206,096	-	-	11,206,096	9,371,431	-	-	9,371,431
Money Market Funds	430,653	200,601	-	631,254	660,816	176,804	-	837,620
Total Investments at Fair Value	11,636,749	19,162,480	1,736,723	32,535,952	10,032,247	18,588,292	1,203,063	29,823,602
CASH AND CASH EQUIVALENTS	467	-	-	467	13,640	373	-	14,013
RECEIVABLES								
Notes Receivable from Participants	83,686	-	-	83,686	41,465	-	-	41,465
Contributions Receivable from Participants	19,308	-	-	19,308	-	-	-	-
Total Receivables	102,994	-	-	102,994	41,465	-	-	41,465
Total Assets	11,740,210	19,162,480	1,736,723	32,639,413	10,087,352	18,588,665	1,203,063	29,879,080
LIABILITIES								
Accrued Liabilities	2,391	-	-	2,391	2,239	-	-	2,239
Notes Payable	-	-	1,523,244	1,523,244	-	-	1,024,866	1,024,866
Total Liabilities	2,391	-	1,523,244	1,525,635	2,239	-	1,024,866	1,027,105
NET ASSETS AVAILABLE FOR BENEFITS	\$ 11,737,819	\$ 19,162,480	\$ 213,479	\$ 31,113,778	\$ 10,085,113	\$ 18,588,665	\$ 178,197	\$ 28,851,975

See accompanying Notes to Financial Statements.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023				2022			
	Participant Directed	Nonparticipant Directed		Total	Participant Directed	Nonparticipant Directed		Total
	Allocated	Unallocated			Allocated	Unallocated		
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS								
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 1,346,532	\$ 993,093	\$ 90,958	\$ 2,430,583	\$ (3,399,973)	\$ 476,982	\$ 31,167	\$ (2,891,824)
Employer Contributions, Net of Forfeitures	-	1,593,958	-	1,593,958	-	891,859	110,000	1,001,859
Participant Deferrals	859,734	-	-	859,734	807,587	-	-	807,587
Rollover Contributions	-	-	-	-	238,621	-	-	238,621
Interest and Dividends	285,191	12,029	-	297,220	228,612	3,743	-	232,355
Loan Interest Income	2,848	-	-	2,848	2,895	-	-	2,895
Transfers Between Participant Directed	139,766	(139,766)	-	-	502,430	(502,430)	-	-
Allocation of 4,444 and 6,861 Shares of Common Stock of the Jaynes Companies, at Estimated Fair Value for 2023 and 2022, Respectively	-	257,298	(257,298)	-	-	386,961	(386,961)	-
Loan Payments Made With Plan Assets	-	(201,622)	201,622	-	-	(141,622)	141,622	-
Benefits Paid to Participants	(938,832)	(1,874,990)	-	(2,813,822)	(4,841,840)	(783,770)	-	(5,625,610)
Expenses Paid	(42,533)	(66,185)	-	(108,718)	(35,635)	(39,957)	-	(75,592)
NET INCREASE (DECREASE)	1,652,706	573,815	35,282	2,261,803	(6,497,303)	291,766	(104,172)	(6,309,709)
NET ASSETS AVAILABLE FOR BENEFITS:								
Beginning of Year	10,085,113	18,588,665	178,197	28,851,975	16,582,416	18,296,899	282,369	35,161,684
End of Year	<u>\$ 11,737,819</u>	<u>\$ 19,162,480</u>	<u>\$ 213,479</u>	<u>\$ 31,113,778</u>	<u>\$ 10,085,113</u>	<u>\$ 18,588,665</u>	<u>\$ 178,197</u>	<u>\$ 28,851,975</u>

See accompanying Notes to Financial Statements.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN

The following description of the Employee Stock Ownership 401(k) Plan and Trust for Employees of Jaynes Corporation (the Plan or KSOP) provides only general information. Participants should refer to the Plan document for more complete information. The Plan is an employee stock ownership plan. In 2002, Jaynes Corporation common stock was exchanged for common stock in The Jaynes Companies. Consequently, employer contributions made to the Plan are invested in The Jaynes Companies common stock.

General

Jaynes Corporation (the Company, Plan administrator, or Plan Sponsor) established the Plan on January 1, 1976. The Plan operates as a leveraged employee stock ownership plan, and is designed to comply with Section 4975(e)(7) of the Internal Revenue Code (IRC) of 1986, as amended (the Code) and the applicable regulations thereunder. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective January 1, 2015, the Plan was restated to merge the Jaynes Companies Multiple Employer 401(k) Plan into this Plan as the surviving Plan. In accordance with the restatement, the Plan enables eligible employees to invest the employee deferral, employer matching and employee rollover contributions among funds that are made available by the Plan administrator. The Plan qualifies as a cash or deferral arrangement under Section 401(k) of the IRC. Plan assets are considered to have been transferred into the KSOP effective December 31, 2015. The Plan was most recently restated effective January 1, 2022.

The Plan year is January 1 through December 31. The Company is the Plan Sponsor. Jaynes Corporation of Texas, Jaynes Corporation of Colorado, and Jaynes Structures, Inc. are adopting employers (the Employers). The Plan's custodians are Capital Bank & Trust Company, the trust department of an independent third-party bank, and BOKF, NA. Effective June 1, 2022, the plan transferred all assets to BOKF, NA, see Note 13. A group of officers/shareholders of The Jaynes Companies are the trustees which comprise the Trustee Committee who are appointed by the Company's Board of Directors.

The Plan purchased Company common stock using the proceeds of notes payable to the Company and holds the stock in a trust established under the Plan (see Note 5). As the Plan makes debt payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022 present separately the assets and liabilities and changes therein pertaining to:

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

General (Continued)

- (a) the accounts of employees with vested rights in allocated common stock (Allocated) and
- (b) common stock not yet allocated to employees (Unallocated).

Eligibility

Employees of the Employers are eligible to participate in the Employee Stock Ownership Plan (ESOP) features of the Plan after attaining 21 years of age and completing one year of service, which is 1,000 paid hours since the employee's hire date. Eligible employees enter the Plan on the first day of the Plan year in which eligibility requirements are met.

Employees of the Employers are eligible to participate in the 401(k) feature of the Plan on the first day of the calendar month after attaining 21 years of age. Eligible employees enter the Plan on the first day of the month in which eligibility requirements are met.

The Plan covers all eligible employees but excludes certain employees covered by a collective bargaining agreement and leased employees.

Participant Accounts

Each participant's ESOP account is credited with the allocation of (a) the Employers' contribution, (b) a proportion of net earnings, (c) a proportion of forfeitures of terminated participants' nonvested balances, and (d) a proportion of Plan expenses. Allocations of earnings are based on account balances, as defined in the Plan document. Allocations of employer contributions and forfeitures are based on the ratio of each participant's eligible compensation to the total eligible compensation of all eligible participants in the Plan. A participant is entitled to the vested portion of their account. The investments in the ESOP feature are nonparticipant-directed.

Each participant's 401(k) account is credited with the participant's contribution and allocations of the Companies' contribution, if any, Plan earnings/losses, and charged with administrative expenses. All investments in the 401(k) feature are participant-directed.

Contributions

Discretionary contributions to the ESOP by the Employers are in amounts determined by the Employer's Board of Directors. Such amount shall not exceed the limits for contributions allowed by Section 415 of the IRC and must meet the requirements described in Note 8. Company contributions are conditioned upon the deductibility of contributions to all qualified plans under section 404 of the IRC. Company S-Corporation distributions are allocated to participant accounts as income.

The Plan allows participant contributions and rollover contributions from other plans into the 401(k) feature.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Contributions (Continued)

Each Plan year, participants may contribute up to the maximum limits of Section 402(g) of the IRC, (\$22,500 and \$20,500 for the years ended December 31, 2023 and 2022, respectively) into the 401(k) feature of the Plan. However, participants who have attained age 50 by year-end may make an additional catch-up contribution of up to \$7,500 in 2023 and \$6,500 in 2022. Participants may elect to make their contributions into either a Roth 401(k) or to the traditional 401(k). Roth 401(k) contributions are made from after-tax dollars. The gains received on contributions to the Roth 401(k) are tax-free if certain conditions are met.

Newly eligible employees are automatically enrolled in the Plan and have 3% of eligible compensation contributed into the Plan unless they opt out or select an alternative deferral rate. The automatic elections will be designated as pre-tax elective deferral contributions.

In addition, the Employers may make discretionary matching contributions based on a percentage of employee pretax contributions. The Employers may also make qualified nonelective contributions in an amount to be determined at Plan year-end by the Board of Directors. For the years ended December 31, 2023 and 2022, the Employers did not make any employer contributions to the 401(k) feature of the Plan.

Vesting

Participants are vested immediately in their 401(k) feature deferral contributions, any rollover amounts, and earnings thereon. A participant becomes vested in their ESOP account and employer contributions made into their 401(k) account at the rate of 20% per year for each Plan year beginning in the second year in which the employee completes at least 1,000 hours of service.

A participant becomes fully vested in their Plan benefit upon the earliest of:

- a. completion of six years of service;
- b. termination due to death or disability;
- c. upon and after attaining normal retirement age as defined by the Plan;
- d. upon full or partial termination of the Plan.

Forfeitures

The amount of a participant's ESOP account balance forfeited under the Plan is used first to meet any forfeiture restoration requirements of the Plan. Any remaining amounts may be allocated in the same manner as the employer contribution in the year the forfeiture occurs or used to pay Plan expenses. Total ESOP forfeitures allocated to participant accounts for the years ended December 31, 2023 and 2022, were \$87,791 and \$68,423, respectively. No ESOP forfeitures were used to pay Plan expenses during 2023 or 2022. There were no ESOP forfeitures available for use as of December 31, 2023 and 2022.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Forfeitures (Continued)

Forfeitures from the 401(k) feature accounts may be used to pay administrative expenses. \$7,518 and \$24,793 was used to pay Plan expenses during 2023 and 2022, respectively. There were \$0 and \$6,214 in 401(k) forfeitures available to pay Plan expenses as of December 31, 2023 and 2022, respectively.

Payment of Benefits

On termination due to disability, retirement, or any other reason, distribution from a participant's 401(k) account that exceeds \$5,000 shall require such participant's written consent.

Upon termination of service due to death, disability, or retirement, a participant's vested ESOP account will be distributed (or commence to be distributed) no later than the close of the Plan Year following the Plan Year in which the event occurred.

Upon termination of service for reasons other than death, disability or retirement, a participant's vested ESOP account will be distributed (or commence to be distributed) no later than the close of the sixth Plan Year following the Plan Year in which employment is terminated. Payments may be made in equal installments over a period of up to five years. Accounts exceeding \$1,330,000 and \$1,230,000 as of December 31, 2023 and 2022, respectively, may be subject to extended payout periods in excess of five years in accordance with IRC Section 409(o)(1)(C)(ii).

The Plan administrator in its discretion, may choose to delay any payments from the ESOP accounts or to make payment in annual installments, instead of lump sums, if it is determined that it is in the best interest of the Plan based on economic conditions or circumstances impacting the Plan or the stock value.

Under the provisions of the Plan, the Plan is obligated to repurchase participant shares of the Jaynes Companies which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations.

Payments to participants totaled \$2,813,822 and \$5,625,610 as of December 31, 2023 and 2022, respectively.

Notes Receivable from Participants

Participants can borrow from their fund accounts up to a maximum of the lesser of \$50,000 or 50% of their vested account balance. The minimum borrowing amount allowed by the Plan is \$1,000. A participant cannot have more than two notes outstanding at any given time. Notes receivable terms are generally limited to five years unless the borrowing amount is for the purpose of purchasing a primary residence, in which case the note receivable term can be longer. The notes are secured by the vested balance in the participant's account and bear interest at prevailing commercial rates.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Plan Termination

The Employers have the right under the Plan to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In the event the Plan either partially or fully terminates, participants become immediately 100% vested. The net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide benefits in the following order:

- a. annuity benefits in pay status for the last three years (or which would have been in pay status for three years if the employee had retired upon reaching normal retirement age);
- b. other vested benefits; then,
- c. all other Plan benefits.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is based on valuation of the Company as of October 31, 2023, for the Plan year ended December 31, 2023, and October 31, 2022, for the Plan year ended December 31, 2022. The valuation is performed by an independent third-party appraiser to estimate the fair market value of Company stock. The Company can pay for the purchase over a period of five years at the option of the trustees. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Voting Rights

Each participant has the right to direct the Trustee Committee regarding voting rights attributable to the shares allocated to their account under certain conditions that are described in the Plan or as prescribed by Treasury regulations. The Trustee Committee shall vote unallocated shares and allocated shares as to which participants are not entitled to vote.

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 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 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.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 DESCRIPTION OF PLAN (CONTINUED)

Shuffling Provision

Trustees may, at their discretion, transfer ESOP balances of terminated participants into a conservative equity investment. The balances would no longer be eligible to participate in any appreciation or depreciation in the Company stock value.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 common shares of the Company are valued at estimated fair value and other investments are reported at fair value (see Note 6 for discussion of fair value measurements). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Contributions from participants are recorded in the year in which the employee contributions are withheld from compensation.

Payment of Benefits

Benefit distributions are expensed when paid.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Notes receivable go into default if any payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the participant missed the scheduled payment or if the participant makes or furnishes any false representation statement to the Plan.

Defaulted notes receivable are reclassified as distributions based upon the terms of the Plan document. Interest income is recognized as earned.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates include the valuation of The Jaynes Companies shares of common stock. The value of The Jaynes Companies stock is based on an annual valuation performed by an independent third-party appraiser skilled in the valuation of company stock. It is reasonably possible the value of the stock can change during the next year or at any time that stock transactions relative to the Plan occur.

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan Expenses

The Plan itself pays a portion of Plan administrative expenses which amounted to \$108,718 during 2023 and \$75,592 during 2022. These include bank trust department custodial fees, trustee/recordkeeper expenses, tax return fees, stock valuation fees, and administrative fees. Expenses paid by the Plan Sponsor are excluded from these financial statements.

Subsequent Events

Subsequent events have been evaluated through October 1, 2024, the date the financial statements were available to be issued, to determine whether such events should be recorded or disclosed in the financial statements for the year ending December 31, 2023. Management believes no material subsequent events have arisen that would require adjustment or disclosure.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 3 INVESTMENT IN THE JAYNES COMPANIES COMMON STOCK

The Plan's investment in Company securities consists of 338,766 shares of the outstanding common stock of The Jaynes Companies, which represents all outstanding shares of the Company. The shares were acquired incrementally between 1976 and 2010 for various share prices representing estimated fair market value, as determined by independent appraisal, at that time. Original shares owned were Jaynes Corporation common stock, which were exchanged for common stock in The Jaynes Companies in 2002. The estimated fair market value, as determined by independent appraisal as of October 31, 2023 and 2022 was \$61.10 and \$57.90 per share.

During 2023 and 2022, 4,444 and 6,861 shares were released and allocated to participants. 12,090 and 10,638 shares were reserved as unallocated in 2023 and 2022, respectively, due to loans entered into with the Plan Sponsor, see Note 5.

The Plan's investments at December 31 are presented in the following table:

	2023		2022	
	Allocated	Unallocated	Allocated	Unallocated
The Jaynes Companies Common Shares:				
Number of Shares	<u>310,342</u>	<u>28,424</u>	<u>317,988</u>	<u>20,778</u>
Cost	<u>\$ 3,874,682</u>	<u>\$ 354,879</u>	<u>\$ 3,970,144</u>	<u>\$ 259,417</u>
Estimated Fair Value	<u>\$ 18,961,879</u>	<u>\$ 1,736,723</u>	<u>\$ 18,411,488</u>	<u>\$ 1,203,063</u>

NOTE 4 CHANGE IN FAIR VALUE OF INVESTMENTS

	2023	2022
The Jaynes Companies Common Stock (Nonparticipant-Directed)	<u>\$ 1,084,051</u>	<u>\$ 508,149</u>

Mutual fund gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2023 and 2022, are reported in net depreciation/appreciation in fair value of investments. All such amounts are derived from mutual fund activity for the years ended December 31, 2023 and 2022 (participant-directed).

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 5 NOTES PAYABLE

Sponsor Notes Payable

On August 10, 2020, the Plan borrowed \$708,110 from the Plan Sponsor at a 0% interest rate. The loan proceeds were used to fund benefit payments to former participants and are payable in annual installments of \$50,000, with the balance due no later than October 31, 2026. In September 2023, the loan agreement was amended to make the final payment due on or before December 10, 2025.

On September 26, 2022, the Plan borrowed \$600,000 from the Plan Sponsor at a 0% interest rate. The loan proceeds were used to fund benefit payments to former participants and are payable in annual installments of \$20,000, with the balance due no later than October 31, 2053. In September 2023, the loan agreement was amended to increase the annual installments to \$50,000 with the final payment due on or before September 26, 2032.

On October 30, 2023, the Plan borrowed \$700,000 from the Plan Sponsor at 0% interest rate. The loan proceeds were used to fund benefit payments to former participants and are payable in annual installments of \$23,333, with the balance due no later than October 30, 2053.

The maturities of the notes are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 123,333
2025	306,577
2026	73,333
2027	73,333
2028	73,333
Thereafter	873,335
Total	<u>\$ 1,523,244</u>

The borrowings are repaid by fully deductible contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of common stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Amounts outstanding under these borrowings at December 31, 2023 and 2022, were \$1,523,244 and \$1,024,866, respectively.

These transactions are not prohibited transactions due to an exception in IRC Section 4975(d)(3).

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a 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 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 the valuation methodologies used at December 31, 2023, compared to 2022.

Common Stock: Employer stock is carried at estimated fair value based on an independent appraisal performed subsequent to the Company's fiscal year-end. The independent appraisal utilized the Net Asset Value (NAV), Capitalized Returns Method (CRM), and Guideline Public Company (GPC) methods of valuation. Furthermore, a discount for lack of marketability of 5% was applied to these methods, and a control premium of 10% was applied to the value indicated by the GPC method. Investments held are stated at fair value and, as such, their reported value for financial statement purposes is subject to market fluctuations. Accordingly, the price which may be realized upon the sale of the respective investments may not be equal to its value as currently presented.

Mutual Funds and Money Market Funds: Valued at the net asset value (NAV) of shares based on published prices held by the Plan at year-end.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	Level 1	Level 2	Level 3	Total
<u>December 31, 2023</u>				
Mutual Funds	\$ 11,206,096	\$ -	\$ -	\$ 11,206,096
Money Market Funds	631,254	-	-	631,254
Common Stock	-	-	20,698,602	20,698,602
Total Assets at Fair Value	<u>\$ 11,837,350</u>	<u>\$ -</u>	<u>\$ 20,698,602</u>	<u>\$ 32,535,952</u>
<u>December 31, 2022</u>				
Mutual Funds	\$ 9,371,431	\$ -	\$ -	\$ 9,371,431
Money Market Funds	837,620	-	-	837,620
Common Stock	-	-	19,614,551	19,614,551
Total Assets at Fair Value	<u>\$ 10,209,051</u>	<u>\$ -</u>	<u>\$ 19,614,551</u>	<u>\$ 29,823,602</u>

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of certain changes of the Plan's level 3 assets for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purchases	\$ -	\$ -
Sales	-	-
Transfers In	-	-
Transfers Out	-	-

NOTE 7 TAX STATUS

The Plan is placing reliance on an opinion letter from the IRS indicating that the Plan is designed in accordance with the applicable section of the IRC. The Plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is designed and being operated in compliance with the applicable requirements of the IRC and, therefore, believes 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 (or asset) 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.

NOTE 8 EMPLOYER CONTRIBUTIONS

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, are sufficient to enable the Plan to make its regularly scheduled payments of principal and interest (due on its notes payable).

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 9 ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common shares and mutual funds, are held by the Plan's custodians.

Participant and Company contributions are held and managed by the Plan custodians, which invest cash received, interest, and dividend income and make distributions to participants.

Certain administrative functions are performed by officers or employees of The Jaynes Companies or its subsidiaries. No such officer or employee receives compensation from the Plan.

NOTE 10 RELATED PARTY TRANSACTIONS

On August 10, 2020, the Plan borrowed \$708,110 from the Plan Sponsor at a 0% interest rate. The loan proceeds were used to fund benefit payments to former participants and are payable in annual installments of \$50,000, with the balance due no later than October 31, 2026. In September 2023, the loan agreement was amended to make the final payment due on or before December 10, 2025 (see Note 5).

On September 26, 2022, the Plan borrowed \$600,000 from the Plan Sponsor at a 0% interest rate. The loan proceeds were used to fund benefit payments to former participants and are payable in annual installments of \$20,000, with the balance due no later than October 31, 2053. In September 2023, the loan agreement was amended to increase the annual installments to \$50,000 with the final payment due on or before September 26, 2032 (see Note 5).

On October 30, 2023, the Plan borrowed \$700,000 from the Plan Sponsor at 0% interest rate. The loan proceeds were used to fund benefit payments to former participants and are payable in annual installments of \$23,333, with the balance due no later than October 30, 2053 (see Note 5).

According to the Prohibited Transaction Class Exemption (PTE 80-26, as amended) the loans from the Plan Sponsor are not considered to be prohibited transactions.

Certain investments are units of participation in mutual funds managed by BOKF, NA during 2023 and both American Funds and BOKF, NA during 2022. As American Funds and BOKF, NA were the custodians as defined by the Plan, these transactions qualify as party-in-interest transactions.

The Companies provide certain accounting and administrative services to the Plan for which no fees are charged. The Companies also pay certain expenses on behalf of the Plan (see Note 2).

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 11 INFORMATION PREPARED AND CERTIFIED BY CAPITAL BANK & TRUST COMPANY AND BOKF, NA

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA).

Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information prepared and certified by Capital Bank & Trust Company and BOKF, NA, the custodians of the Plan, as complete and accurate, except for comparing such information prepared and certified by Capital Bank & Trust Company and BOKF, NA to information included in the Plan's financial statements and supplemental schedule:

- Participant directed investments and notes receivable from participants, as shown in the statements of net assets available for benefits, as of December 31, 2023 and 2022.
- Appreciation and depreciation on participant directed investments, participant directed dividend income and interest income as shown in the statements of changes in net assets available for benefits, for the years ended December 31, 2023 and 2022.
- Participant directed investment information included in Note 6 totaling \$11,636,749 and \$10,032,247 as of December 31, 2023 and 2022, respectively.
- Participant directed investment information totaling \$11,636,749 and \$10,032,247 as of December 31, 2023 and 2022, respectively and notes receivable from participants included in the supplemental schedule.

Nonparticipant directed plan assets and income are not covered by the certification.

NOTE 12 PLAN RESTATEMENT

The Plan Document was formally restated effective January 1, 2022, incorporating all previous amendments.

NOTE 13 CHANGE IN SERVICE PROVIDERS

Effective February 22, 2022, the Plan added Principal Trust Company as a Custodian and the nonparticipant directed portion of the plan assets were transferred from Wells Fargo Bank, NA. to Principal Trust Company.

Effective June 1, 2022, the Plan added BOKF, NA, as a Custodian of the Plan and all plan assets were transferred from Principal Trust Company to BOKF, NA.

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
E.I.N. 85-0172050 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2023**

**SCHEDULE 1
EIN 85-0172050
Plan No. 003**

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost **	(e) Current Value
*	The Jaynes Companies	Common Stock, 310,342 Shares (ESOP - Allocated)	\$ 3,874,682	\$ 18,961,879
*	The Jaynes Companies	Common Stock, 28,424 Shares (ESOP - Unallocated)	354,879	1,736,723
*	BOKF, NA	Money Market Fund	631,254	631,254
*	BOKF, NA	Cash and cash equivalents		467
*	BOKF, NA			
	Vanguard	Vanguard Target Retirement 2030 Fund		2,589,589
	Vanguard	Vanguard Target Retirement Income Fund		1,154,917
	Vanguard	Vanguard Target Retirement 2035 Fund		1,094,808
	Vanguard	Vanguard Target Retirement 2050 Fund		1,043,206
	Vanguard	Vanguard Target Retirement 2045 Fund		1,003,131
	Vanguard	Vanguard Target Retirement 2020 Fund		837,874
	Vanguard	Vanguard Target Retirement 2055 Fund		617,957
	Vanguard	Vanguard Target Retirement 2025 Fund		494,128
	Vanguard	Vanguard Target Retirement 2040 Fund		350,618
	Fidelity	Fidelity 500 Index Fund		285,666
	Vanguard	Vanguard Target Retirement 2060 Fund		282,632
	T. Rowe Price	T. Rowe Price Growth Stock I Fund		258,562
	MFS Value Fund	MFS Value Fund		230,610
	Vanguard	Vanguard Total Intl Stock Index Admiral Fund		124,555
	Vanguard	Vanguard Short-Term Bond Index Fund		123,451
	Metropolitan West	Metropolitan West Total Ret Bond Fund		104,761
	JPMorgan	JPMorgan Mid Cap Value Fund		86,310
	Vanguard	Vanguard Small Cap Index Admiral Fund		81,258
	Vanguard	Vanguard Mid Cap Index Admiral Fund		78,450
	Invesco	Invesco Developing Markets Fund		66,240
	Vanguard	Vanguard Small Cap Growth Index Admiral Fund		58,951
	American Funds	American Funds Europacific Growth Fund		57,748
	Vanguard	Vanguard Target Retirement 2065 Fund		50,366
	American Beacon	American Beacon Small Cap Value Fund		34,849
	PIMCO	PIMCO Income Inst Fund		24,390
	Vanguard	Vanguard Total Bond Market Index Fund		23,790
	American Beacon	American Beacon International Fund		20,574
	MFS	MFS Mid Cap Growth Fund		16,010
	Vanguard	Vanguard Inflation Protected Secs Fund		9,776
	Vanguard	Vanguard Target Retirement 2070 Fund		919
	Notes Receivable from Participants	Interest Rates Ranging Between 4.50% to 10.50%, Maturity Dates Ranging Between 2024 to 2028	-	83,686
				<u><u>\$ 32,620,105</u></u>

* Indicates party-in-interest

**Cost omitted for participant-directed accounts

**EMPLOYEE STOCK OWNERSHIP 401(K) PLAN AND TRUST
FOR EMPLOYEES OF JAYNES CORPORATION (KSOP)
E.I.N. 85-0172050 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2023**

**SCHEDULE 1
EIN 85-0172050
Plan No. 003**

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost **	(e) Current Value
*	The Jaynes Companies	Common Stock, 310,342 Shares (ESOP - Allocated)	\$ 3,874,682	\$ 18,961,879
*	The Jaynes Companies	Common Stock, 28,424 Shares (ESOP - Unallocated)	354,879	1,736,723
*	BOKF, NA	Money Market Fund	631,254	631,254
*	BOKF, NA	Cash and cash equivalents		467
*	BOKF, NA			
	Vanguard	Vanguard Target Retirement 2030 Fund		2,589,589
	Vanguard	Vanguard Target Retirement Income Fund		1,154,917
	Vanguard	Vanguard Target Retirement 2035 Fund		1,094,808
	Vanguard	Vanguard Target Retirement 2050 Fund		1,043,206
	Vanguard	Vanguard Target Retirement 2045 Fund		1,003,131
	Vanguard	Vanguard Target Retirement 2020 Fund		837,874
	Vanguard	Vanguard Target Retirement 2055 Fund		617,957
	Vanguard	Vanguard Target Retirement 2025 Fund		494,128
	Vanguard	Vanguard Target Retirement 2040 Fund		350,618
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	Vanguard	Vanguard Target Retirement 2060 Fund		282,632
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	MFS Value Fund	MFS Value Fund		230,610
	Vanguard	Vanguard Total Intl Stock Index Admiral Fund		124,555
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	Metropolitan West	Metropolitan West Total Ret Bond Fund		104,761
	JPMorgan	JPMorgan Mid Cap Value Fund		86,310
	Vanguard	Vanguard Small Cap Index Admiral Fund		81,258
	Vanguard	Vanguard Mid Cap Index Admiral Fund		78,450
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	Vanguard	Vanguard Small Cap Growth Index Admiral Fund		58,951
	American Funds	American Funds Europacific Growth Fund		57,748
	Vanguard	Vanguard Target Retirement 2065 Fund		50,366
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				<u>\$ 32,620,105</u>

* Indicates party-in-interest

**Cost omitted for participant-directed accounts