

Form 5500

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security  
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110  
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 11/01/2023 and ending 10/31/2024

- A This return/report is for: [ ] a multiemployer plan [ ] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) [x] a single-employer plan [ ] a DFE (specify) \_\_\_\_
B This return/report is: [ ] the first return/report [ ] the final return/report [ ] an amended return/report [ ] a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. . . . . [ ]
D Check box if filing under: [x] Form 5558 [ ] automatic extension [ ] 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 SCOTTCO MECHANICAL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN) 002
1c Effective date of plan 11/01/1984
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) SCOTTCO MECHANICAL CONTRACTORS, INC. PO BOX 7729 AMARILLO, TX 79114
2b Employer Identification Number (EIN) 75-1855478
2c Plan Sponsor's telephone number 806-359-9541
2d Business code (see instructions) 238220

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

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

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes entries for DAVID BREWER on 08/05/2025.

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

Form 5500 (2023) v. 230707

|  |  |     |
|--|--|-----|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor   | <b>3b</b> Administrator's EIN              |     |
|  | <b>3c</b> Administrator's telephone number |     |
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name   | <b>4b</b> EIN                              |     |
|  | <b>4d</b> PN                               |     |
| <b>5</b> Total number of participants at the beginning of the plan year  | <b>5</b>                                   | 185 |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).<br><b>a(1)</b> Total number of active participants at the beginning of the plan year .....<br><b>a(2)</b> Total number of active participants at the end of the plan year .....<br><b>b</b> Retired or separated participants receiving benefits .....<br><b>c</b> Other retired or separated participants entitled to future benefits .....<br><b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> . .....<br><b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....<br><b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> . .....<br><b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) .....<br><b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....<br><b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested..... | <b>6a(1)</b>                               | 67  |
|  | <b>6a(2)</b>                               | 58  |
|  | <b>6b</b>                                  | 0   |
|  | <b>6c</b>                                  | 108 |
|  | <b>6d</b>                                  | 166 |
|  | <b>6e</b>                                  | 0   |
|  | <b>6f</b>                                  | 166 |
|  | <b>6g(1)</b>                               | 178 |
| <b>6g(2)</b>   | 165  |     |
| <b>6h</b>  | 8  |     |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....  | <b>7</b>                                   |     |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
2E 2I 2O

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

|   |   |
|---|---|
| <b>9a</b> Plan funding arrangement (check all that apply)               | <b>9b</b> Plan benefit arrangement (check all that apply)               |
| (1) <input type="checkbox"/> Insurance                                  | (1) <input type="checkbox"/> Insurance                                  |
| (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts | (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts |
| (3) <input checked="" type="checkbox"/> Trust                           | (3) <input checked="" type="checkbox"/> Trust                           |
| (4) <input type="checkbox"/> General assets of the sponsor              | (4) <input type="checkbox"/> General assets of the sponsor              |

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

|  |   |
|--|---|
| <b>a Pension Schedules</b>   | <b>b General Schedules</b>  |
| (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)   | (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)              |
| (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary | (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)            |
| (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                               | (3) <input type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached _____ |
| (4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____  | (4) <input type="checkbox"/> <b>C</b> (Service Provider Information)                  |
| (5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)  | (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)            |
|  | (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)               |

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

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**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.

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**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 \_\_\_\_\_

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**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 **11/01/2023** and ending **10/31/2024**

|  |  |  |            |
|--|--|--|------------|
| <b>A</b> Name of plan<br><b>SCOTTCO MECHANICAL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</b>           |  | <b>B</b> Three-digit plan number (PN) ▶                            | <b>002</b> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>SCOTTCO MECHANICAL CONTRACTORS, INC.</b> |  | <b>D</b> Employer Identification Number (EIN)<br><b>75-1855478</b> |            |

**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.

| <b>Assets</b>  |                 | <b>(a) Beginning of Year</b> | <b>(b) End of Year</b> |
|--|-----------------|------------------------------|------------------------|
| <b>a</b> Total noninterest-bearing cash .....  | <b>1a</b>       | <b>0</b>                     |                        |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                       |                 |                              |                        |
| <b>(1)</b> Employer contributions .....  | <b>1b(1)</b>    |                              |                        |
| <b>(2)</b> Participant contributions .....   | <b>1b(2)</b>    |                              |                        |
| <b>(3)</b> Other .....   | <b>1b(3)</b>    |                              |                        |
| <b>c</b> General investments:  |                 |                              |                        |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    | <b>2205</b>                  | <b>12129</b>           |
| <b>(2)</b> U.S. Government securities .....  | <b>1c(2)</b>    |                              |                        |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                            |                 |                              |                        |
| <b>(A)</b> Preferred .....   | <b>1c(3)(A)</b> |                              |                        |
| <b>(B)</b> All other .....   | <b>1c(3)(B)</b> |                              |                        |
| <b>(4)</b> Corporate stocks (other than employer securities):                                      |                 |                              |                        |
| <b>(A)</b> Preferred .....   | <b>1c(4)(A)</b> |                              |                        |
| <b>(B)</b> Common .....  | <b>1c(4)(B)</b> | <b>0</b>                     |                        |
| <b>(5)</b> Partnership/joint venture interests .....   | <b>1c(5)</b>    |                              |                        |
| <b>(6)</b> Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                              |                        |
| <b>(7)</b> Loans (other than to participants) .....  | <b>1c(7)</b>    |                              |                        |
| <b>(8)</b> Participant loans .....   | <b>1c(8)</b>    |                              |                        |
| <b>(9)</b> Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    |                              |                        |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   | <b>0</b>                     |                        |
| <b>(11)</b> Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                              |                        |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   | <b>0</b>                     |                        |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   | <b>82407</b>                 | <b>21248</b>           |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   | <b>0</b>                     |                        |
| <b>(15)</b> Other .....  | <b>1c(15)</b>   |                              |                        |

| 1d Employer-related investments:                                   |       | (a) Beginning of Year | (b) End of Year |
|--|-------|-----------------------|-----------------|
| (1) Employer securities .....                                      | 1d(1) | 1984228               | 2044831         |
| (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    | 2068840               | 2078208         |
| <b>Liabilities</b>   |       |                       |                 |
| g Benefit claims payable .....                                     | 1g    |                       |                 |
| h Operating payables .....   | 1h    |                       |                 |
| i Acquisition indebtedness .....                                   | 1i    |                       |                 |
| j Other liabilities .....  | 1j    |                       |                 |
| k Total liabilities (add all amounts in lines 1g through 1j) ..... | 1k    | 0                     | 0               |
| <b>Net Assets</b>  |       |                       |                 |
| l Net assets (subtract line 1k from line 1f) .....                 | 1l    | 2068840               | 2078208         |

**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.

| <b>Income</b>   |          | (a) Amount | (b) Total |
|---|----------|------------|-----------|
| <b>a Contributions:</b>   |          |            |           |
| (1) Received or receivable in cash from: (A) Employers .....                                  | 2a(1)(A) | 54439      |           |
| (B) Participants .....  | 2a(1)(B) | 0          |           |
| (C) Others (including rollovers) .....  | 2a(1)(C) | 0          |           |
| (2) Noncash contributions .....   | 2a(2)    |            |           |
| (3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2) .....                   | 2a(3)    |            | 54439     |
| <b>b Earnings on investments:</b>   |          |            |           |
| (1) Interest:   |          |            |           |
| (A) Interest-bearing cash (including money market accounts and certificates of deposit) ..... | 2b(1)(A) | 721        |           |
| (B) U.S. Government securities .....  | 2b(1)(B) |            |           |
| (C) Corporate debt instruments .....  | 2b(1)(C) |            |           |
| (D) Loans (other than to participants) .....  | 2b(1)(D) |            |           |
| (E) Participant loans .....   | 2b(1)(E) |            |           |
| (F) Other .....   | 2b(1)(F) |            |           |
| (G) Total interest. Add lines 2b(1)(A) through (F) .....                                      | 2b(1)(G) |            | 721       |
| (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) | 2270       |           |
| (D) Total dividends. Add lines 2b(2)(A), (B), and (C) .....                                   | 2b(2)(D) |            | 2270      |
| (3) Rents .....   | 2b(3)    |            |           |
| (4) Net gain (loss) on sale of assets:  |          |            |           |
| (A) Aggregate proceeds .....  | 2b(4)(A) |            |           |
| (B) Aggregate carrying amount (see instructions) .....  | 2b(4)(B) |            |           |
| (C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result .....                          | 2b(4)(C) |            |           |
| (5) Unrealized appreciation (depreciation) of assets:   |          |            |           |
| (A) Real estate .....   | 2b(5)(A) |            |           |
| (B) Other .....   | 2b(5)(B) | 60603      |           |
| (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.....                               | <b>2b(6)</b>  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts.....                               | <b>2b(7)</b>  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts.....                       | <b>2b(8)</b>  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities.....                             | <b>2b(9)</b>  |            | 0         |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | <b>2b(10)</b> |            | 16524     |
| <b>c</b> Other income .....   | <b>2c</b>     |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....        | <b>2d</b>     |            | 134557    |

**Expenses**

|   |               |        |        |
|---|---------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                  |               |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....             | <b>2e(1)</b>  | 124439 |        |
| (2) To insurance carriers for the provision of benefits.....                                | <b>2e(2)</b>  |        |        |
| (3) Other.....  | <b>2e(3)</b>  |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                 | <b>2e(4)</b>  |        | 124439 |
| <b>f</b> Corrective distributions (see instructions).....                                   | <b>2f</b>     |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions) .....         | <b>2g</b>     |        |        |
| <b>h</b> Interest expense .....   | <b>2h</b>     |        |        |
| <b>i</b> Administrative expenses:   |               |        |        |
| (1) Salaries and allowances.....  | <b>2i(1)</b>  | 0      |        |
| (2) Contract administrator fees.....  | <b>2i(2)</b>  | 0      |        |
| (3) Recordkeeping fees.....   | <b>2i(3)</b>  | 0      |        |
| (4) IQPA audit fees.....  | <b>2i(4)</b>  | 0      |        |
| (5) Investment advisory and investment management fees .....                                | <b>2i(5)</b>  | 750    |        |
| (6) Bank or trust company trustee/custodial fees .....                                      | <b>2i(6)</b>  | 0      |        |
| (7) Actuarial fees .....  | <b>2i(7)</b>  | 0      |        |
| (8) Legal fees .....  | <b>2i(8)</b>  | 0      |        |
| (9) Valuation/appraisal fees .....  | <b>2i(9)</b>  | 0      |        |
| (10) Other trustee fees and expenses .....  | <b>2i(10)</b> | 0      |        |
| (11) Other expenses .....   | <b>2i(11)</b> | 0      |        |
| (12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....        | <b>2i(12)</b> |        | 750    |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | <b>2j</b>     |        | 125189 |

**Net Income and Reconciliation**

|   |              |  |      |
|---|--------------|--|------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 9368 |
| <b>l</b> Transfers of assets:   |              |  |      |
| (1) To this plan .....  | <b>2l(1)</b> |  |      |
| (2) From this plan .....  | <b>2l(2)</b> |  |      |

**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: **STEWART, MARTIN, DUDLEY, & WEBB, PC**

(2) EIN: **75-2290093**

**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 |
|--|-----|----|--------|
| <b>a</b> 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.)                 |     | X  |        |
| <b>b</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.) |     | X  |        |
| <b>c</b> 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.)   |     | X  |        |
| <b>d</b> 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.)  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?   | X   |    | 390000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?  |     | X  |        |
| <b>g</b> 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?   |     | X  |        |
| <b>h</b> 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?   |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)   | X   |    |        |
| <b>j</b> 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.)   |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?  |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?   |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)   |     | X  |        |
| <b>n</b> 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.)

| <b>5b(1)</b> Name of plan(s) | <b>5b(2)</b> EIN(s) | <b>5b(3)</b> 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 \_\_\_\_\_.

|  |   |   |
|--|---|---|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Retirement Plan Information</b><br><br>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).<br><br><b>▶ File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2023</b><br><br><b>This Form is Open to Public Inspection.</b> |
|--|---|---|

For calendar plan year 2023 or fiscal plan year beginning 11/01/2023 and ending 10/31/2024

|  |  |            |
|--|--|------------|
| <b>A</b> Name of plan<br><u>SCOTTCO MECHANICAL CONTRACTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>           | <b>B</b> Three-digit plan number (PN) ▶                            | <u>002</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>SCOTTCO MECHANICAL CONTRACTORS, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>75-1855478</u> |            |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|  |   |  |
|--|---|--|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....  | 1 |  |
| <b>2</b> 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):<br>EIN(s): <u>75-1855478</u> |   |  |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>  |   |  |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....   | 3 |  |

|                |   |
|----------------|---|
| <b>Part II</b> | <b>Funding Information</b> (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.) |
|----------------|---|

|   |                              |                             |                              |
|---|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>If the plan is a defined benefit plan, go to line 8.</b>   |                              |                             |                              |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....  | 6a                           |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....  | 6b                           |                             |                              |
| <b>c</b> 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                           |                             |                              |
| <b>If you completed line 6c, skip lines 8 and 9.</b>  |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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? .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|   |                                   |                                   |                               |                             |
|---|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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. .... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|---|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |   |
|----------------|---|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---|

|  |   |  |
|--|---|--|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| <b>b</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.) ..... | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |

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

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

**a** Name of contributing employer \_\_\_\_\_

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

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer \_\_\_\_\_

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

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer \_\_\_\_\_

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

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer \_\_\_\_\_

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

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer \_\_\_\_\_

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

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer \_\_\_\_\_

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

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

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

|  |            |  |
|--|------------|--|
| <b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment) ..... | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....   | <b>14b</b> |  |
| <b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....   | <b>14c</b> |  |

**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:

|   |            |  |
|---|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|  |            |  |
|--|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....   | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

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

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

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

**19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

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

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

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

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

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:  
 Yes.  
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.  
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.  
 No. Other. Provide explanation.....

**Part VII IRS Compliance Questions**

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

**21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).  
 Design-based safe harbor method  
 "Prior year" ADP test  
 "Current year" ADP test  
 N/A

**22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q704072A.

## **Independent Auditor's Report**

The Employee Stock Ownership Plan Committee  
Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust  
Amarillo, Texas

### **Opinion**

We have audited the accompanying financial statements of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of October 31, 2024 and 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust as of October 31, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust'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 Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for a reasonable period of time.

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

## **Supplemental Schedule Required by ERISA**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held for investment purposes at October 31, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

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

*Stewart, Martin, Dudley & Webb, P.C.*

Amarillo, Texas  
August 15, 2025

|  |  |  |
|--|--|--|
| <p><b>Form 5500</b><br/>Department of the Treasury<br/>Internal Revenue Service</p> <p>Department of Labor<br/>Employee Benefits Security<br/>Administration</p> <p>Pension Benefit Guaranty Corporation</p> | <p><b>Annual Return/Report of Employee Benefit Plan</b></p> <p>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).</p> <p>▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | <p>OMB Nos. 1210-0110<br/>1210-0089</p> <p style="font-size: 24pt; font-weight: bold;">2023</p> <p><b>This Form is Open to Public Inspection</b></p> |
|--|--|--|

**Part I Annual Report Identification Information**

For calendar plan year 2023 or fiscal plan year beginning 11/01/2023 and ending 10/31/2024

**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) \_\_\_\_\_

**B** This return/report is:  the first return/report;  the final return/report;

an amended return/report;  a short plan year return/report (less than 12 months).

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

**D** Check box if filing under:  Form 5558;  automatic extension;  the DFVC program;

special extension (enter description)

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

**Part II Basic Plan Information --- enter all requested information**

|   |  |                   |
|---|--|-------------------|
| <p><b>1a</b> Name of plan<br/><u>Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan</u></p>   | <p><b>1b</b> Three-digit plan number (PN) ▶</p>  | <p><u>002</u></p> |
| <p><b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br/>Mailing address (include room, apt., suite no. and street or P.O. Box)<br/>City or town, state or province, country, and ZIP or foreign postal code (If foreign, see instructions)</p> <p><u>Scottco Mechanical Contractors, Inc.</u></p> <p><u>PO BOX 7729</u></p> <p><u>US AMARILLO TX 79114</u></p> | <p><b>1c</b> Effective date of plan<br/><u>11/01/1984</u></p> <p><b>2b</b> Employer Identification Number (EIN)<br/><u>75-1855478</u></p> <p><b>2c</b> Plan Sponsor's telephone number<br/><u>(806) 359-9541</u></p> <p><b>2d</b> Business code (see instructions)<br/><u>238220</u></p> |                   |

**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<br>HERE |                                    | <u>8-5-25</u> | DAVID BREWER   |
|              | Signature of plan administrator    | Date          | Enter name of individual signing as plan administrator       |
| SIGN<br>HERE |                                    | <u>8-5-25</u> | <u>Michael David Brown</u>                                   |
|              | Signature of employer/plan sponsor | Date          | Enter name of individual signing as employer or plan sponsor |
| SIGN<br>HERE |                                    |               |  |
|              | Signature of DFE                   | Date          | Enter name of individual signing as DFE                      |

|  |  |
|--|--|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 20px; width: 100%;"></div> |
|--|--|

|   |                                   |
|---|-----------------------------------|
| <b>4</b> 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 and the plan name and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name<br><b>c</b> Plan name | <b>4b</b> EIN<br><br><b>4d</b> PN |
|---|-----------------------------------|

|  |              |     |
|--|--------------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year  | <b>5</b>     | 185 |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |              |     |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year . . . . .  | <b>6a(1)</b> | 67  |
| <b>a(2)</b> Total number of active participants at the end of the plan year . . . . .  | <b>6a(2)</b> | 58  |
| <b>b</b> Retired or separated participants receiving benefits . . . . .  | <b>6b</b>    | 0   |
| <b>c</b> Other retired or separated participants entitled to future benefits . . . . .   | <b>6c</b>    | 108 |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> . . . . .  | <b>6d</b>    | 166 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits . . . . .   | <b>6e</b>    | 0   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> . . . . .  | <b>6f</b>    | 166 |
| <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) . . . . .                                     | <b>6g(1)</b> | 178 |
| <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) . . . . .   | <b>6g(2)</b> | 165 |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested . . . . .   | <b>6h</b>    | 8   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .   | <b>7</b>     |     |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
 2E 2I 2O

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

|   |   |
|---|---|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|---|---|

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

|  |  |
|--|--|
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary<br>(4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) - Number Attached _____<br>(5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information) | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information - Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information) - Number Attached _____<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |
|--|--|

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|                 |   |
|-----------------|---|
| <b>Part III</b> | <b>Form M-1 Compliance Information (to be completed by welfare benefit plans)</b> |
|-----------------|---|

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**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.

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

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**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 \_\_\_\_\_

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# E-SIGNATURE AUTHORIZATION

for

**Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan**

**75-1855478/002**


**For Plan Year 11/01/2023 through 10/31/2024**

I/We, the undersigned, understand that a 5500 Series filing for the plan listed above must be prepared, electronically signed and electronically transmitted to the EBSA Electronic Filing Acceptance System (EFAST).

I/We authorize Actuaries & Associates to electronically sign the 5500 Series filing on my/our behalf and to transmit that signed form to EFAST on or before the filing due date.

I/We understand that by granting this authority:

- A manually signed and dated Form 5500 that has been provided must be returned to Actuaries & Associates before they can begin the electronic filing process. I/We will retain a copy of this manually signed form and any schedules and attachments in the plan records.
- Actuaries & Associates will not be responsible for any late filing penalty assessed under ERISA should I/we not return the manually signed and dated Form 5500 prior to the filing due date.
- An electronic copy of the manually signed and dated Form 5500 showing my/our signatures will be included in the electronic filing and will be posted by the EBSA to the Internet for public disclosure.
- Actuaries & Associates will maintain a copy of this written authorization in its records.
- Actuaries & Associates will notify all signers about any inquiries and correspondence it receives about this filing from EFAST, EBSA, IRS or PBGC.
- Actuaries & Associates shall not be deemed to be a plan fiduciary with respect to this plan solely on account of providing the electronic signature and filing of the 5500 for the plan year listed above.

  
\_\_\_\_\_  
Plan Administrator

8-5-25  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Plan Sponsor

8-5-25  
\_\_\_\_\_  
Date



**SCOTTCO MECHANICAL CONTRACTORS, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEARS ENDED OCTOBER 31, 2024 AND 2023  
with  
INDEPENDENT AUDITOR'S REPORT**

**Contents**

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## **Independent Auditor's Report**

The Employee Stock Ownership Plan Committee  
Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust  
Amarillo, Texas

### **Opinion**

We have audited the accompanying financial statements of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of October 31, 2024 and 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust as of October 31, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust'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 Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan and Trust's ability to continue as a going concern for a reasonable period of time.

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

## **Supplemental Schedule Required by ERISA**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held for investment purposes at October 31, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

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

*Stewart, Martin, Dudley & Webb, P.C.*

Amarillo, Texas  
August 15, 2025

## **FINANCIAL STATEMENTS**

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Statements of Net Assets Available for Benefits**  
**October 31, 2024 and 2023**

| <b>Assets</b>  | 2024                | 2023                |
|--|---------------------|---------------------|
| Investments in Scottco Mechanical Contractors, Inc.,<br>at fair value: |                     |                     |
| Non-voting preferred stock   | \$ 114,003          | \$ 114,003          |
| Convertible preferred stock  | 787,626             | 762,906             |
| Common stock   | 1,143,202           | 1,107,319           |
| Total Investments in Scottco Mechanical Contractors, Inc.              | 2,044,831           | 1,984,228           |
| Other investments, at fair value:                                      |                     |                     |
| Cash and cash equivalents  | 12,129              | 2,205               |
| Mutual funds   | 21,248              | 82,407              |
| <b>Total assets</b>  | <b>\$ 2,078,208</b> | <b>\$ 2,068,840</b> |
| <b>Net assets</b>  |                     |                     |
| Net assets available for plan benefits                                 | \$ 2,078,208        | \$ 2,068,840        |

See accompanying notes.

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years ended October 31, 2024 and 2023**

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Additions (deductions) to net assets:</b>  |                     |                     |
| Investment income (loss):   |                     |                     |
| Net unrealized appreciation (depreciation) in fair value of Scottco Mechanical Contractors, Inc. Stock: |                     |                     |
| Common stock  | \$ 35,883           | \$ (215,294)        |
| Convertible preferred stock   | 24,720              | (148,326)           |
| Net unrealized appreciation (depreciation) in fair market value of investments                          | 16,524              | (218)               |
| Interest  | 721                 | 306                 |
| Dividends   | 2,270               | 2,330               |
| Employer contributions  | 54,439              | 140,780             |
| <b>Total additions (deductions) to net assets</b>   | <b>134,557</b>      | <b>(220,422)</b>    |
| <b>Deductions from net assets:</b>  |                     |                     |
| Fees  | 750                 | 750                 |
| Distributions to participants   | 124,439             | 140,780             |
| <b>Total deductions from net assets</b>   | <b>125,189</b>      | <b>141,530</b>      |
| <b>Net increase (decrease)</b>  | <b>9,368</b>        | <b>(361,952)</b>    |
| <b>Net assets available for plan benefits:</b>  |                     |                     |
| Beginning of year   | 2,068,840           | 2,430,792           |
| End of year   | <b>\$ 2,078,208</b> | <b>\$ 2,068,840</b> |

See accompanying notes.

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**1. Description of plan**

The following description of Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan (the “Plan”) provides only general information. The Plan agreement should be referred to for a more complete description of the Plan’s provisions.

**General**

Scottco Mechanical Contractors, Inc. (the “Company” or “Sponsor”) established the Scottco Mechanical Contractors, Inc. Employee Stock Ownership Plan effective as of November 1, 1984. The Plan is a stock bonus plan qualified under Section 401(a) of the Internal Revenue Code. The Plan covers all qualifying employees of the Company. The Plan is an employee stock ownership plan under Section 4975(c)(7) of the Code and under Section 407(d)(6) of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by Scottco Mechanical Contractors, Inc. and the Trustee of the Plan is David Brewer.

**Eligibility**

All employees of the Company who have attained age 21 are generally eligible to participate in the Plan after one year of service provided they worked at least 1,000 hours during each plan year. Plan entry date is the first day (November 1st) of the Plan year in which eligibility requirements are met.

**Payment of benefits and in-service distributions**

The Plan is designed to encourage participants to stay with the Company until retirement. Payment of their account balance under the Plan is available upon their death, disability, or retirement. If their employment terminates for reasons other than death, disability, or retirement, they will be entitled to receive only the vested percentage of their account balance. A participant is entitled to receive their vested benefit payable in a lump sum form or in periodic installments, subject to certain restrictions.

**Voting rights**

The Trustee of the Plan will vote all Company stock held by it as a part of the Plan assets, provided that participants or their beneficiary will be entitled to direct the Trustee as to the manner in which voting rights on shares of Company stock which are allocated to their account are to be exercised (i) with respect to any corporate matter which involves the voting of such shares (ii) with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction, and (iii) with respect to all corporate matters if, at the time of the vote thereon, the Company stock is a registration-type class of securities. If a participant does not timely exercise their right to vote Company stock, the Trustee will vote such Company stock.

**Termination**

Although it has not expressed any intent to do so, the Company reserves the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974. In the event of Plan termination, participants will become 100% vested in their accounts.

**Contributions**

Each year, the Company will determine the amount to contribute to the Plan. This contribution is discretionary. Participants must complete a year of service during the Plan year and be actively employed on the last day of the Plan year to share in discretionary contributions. Employee contributions are not permitted.

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**1. Description of plan, continued**

**Participant accounts**

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of employer discretionary contributions of cash, Company stock or other property, and forfeitures of terminated employees. Only those participants who are eligible employees as of the last day of the Plan year will receive an allocation. Allocations of such contributions are made to each participant's account in the same proportion of each participant's compensation for the year, allowed by law, bears to the total compensation of all participants for such year. In addition to contributions, a participant's account will be credited annually with a share of the investment earnings or losses.

**Vesting**

Vesting is based on years of service as follows:

| Years of Service                     | Non-forfeitable percentage |
|--------------------------------------|----------------------------|
| Less than two years                  | 0%                         |
| Two years but less than three years  | 20%                        |
| Three years but less than four years | 40%                        |
| Four years but less than five years  | 60%                        |
| Five years but less than six years   | 80%                        |
| Six years or more                    | 100%                       |

**Put option**

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

**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 55 with at least 10 years of service have the right to direct the investment of a portion of their account attributable to Company stock.

**Participant accounts and forfeitures**

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation of all participants for the Plan year. Forfeitures of terminated non-vested account balances allocated to remaining participants at October 31, 2024 and 2023, totaled \$6,452 and \$9,549, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**2. Summary of accounting policies**

**Basis of accounting**

The financial statements of the Plan are prepared using the accrual method of accounting. Benefits are recorded when paid.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Cash and cash equivalents**

Amounts deposited in money market accounts are considered to be cash and cash equivalents.

**Investment valuation and income recognition**

Investments in the capital stock of the Company, a closely held corporation, are stated at fair market value on October 31, 2024 and 2023. Fair market value of Company stock is determined by the Trustee of the Plan based on an annual independent appraisal, utilizing both the income and market approaches. The income approach is a general way of determining a value indication of a business, business ownership interest, security or asset using one or more methods that convert anticipated economic benefits into value. Under the income approach, value is measured as a present worth of anticipated future net cash flows generated by a business or asset. The market approach is a general way of determining a value indicated of a business, business ownership interest, security or asset by using one or more methods that compare the subject to similar businesses, business ownership interest, securities or assets that have been sold. The market approach is based on the principle of substitution, which reflects the premise that an informed investor would pay no more for a security or asset than they could pay for another security or asset of equal utility.

Other stock and investments are valued at quoted market values.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method.

**Operating expenses**

All expenses of maintaining the Plan are paid either by the Company or the Plan.

**Payment of benefits**

Benefits are recorded when paid.

**3. Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated June 3, 2020, that the Plan is qualified and that the trust established under the Plan is tax exempt under the appropriate sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax exempt, as of the financial statement date.

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**3. Tax status, continued**

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognizes 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 applicable authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The trustee does not believe that any tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements.

**4. Risks and uncertainties**

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

**5. Administration of plan assets**

The Plan's assets, which consist primarily of Scottco Mechanical Contractors, Inc. stock, are held by the Trustee of the Plan. Other Plan assets include cash and cash equivalents and mutual funds.

Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants.

Certain administrative functions are performed by officers of Scottco Mechanical Contractors, Inc. No such officer receives compensation from the Plan. Administrative expense for the Trustee's fees are paid directly by the Company.

**6. Investments**

The following table presents investments of the Plan on October 31:

|  | October 31          |                     |
|--|---------------------|---------------------|
|  | 2024                | 2023                |
| <b>Investments in Scottco Mechanical Contractors, Inc. stock:</b>  |                     |                     |
| Non-voting preferred stock, liquidation at \$1 share - 114,003 and 114,003 shares, respectively                  | \$ 114,003          | \$ 114,003          |
| Convertible preferred stock, convertible at 1.15 to 1 of common stock - 267,455 and 267,455 shares, respectively | 787,626             | 762,906             |
| Common stock, 446,428 and 446,428 shares, respectively   | 1,143,202           | 1,107,319           |
| <b>Total investment in Company Stock</b>   | <b>2,044,831</b>    | <b>1,984,228</b>    |
| <b>Other investments:</b>  |                     |                     |
| Cash and equivalents   | 12,129              | 2,205               |
| Mutual funds   | 21,248              | 82,407              |
|  | <b>\$ 2,078,208</b> | <b>\$ 2,068,840</b> |

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**7. Employer contributions**

Employer contributions for each Plan year are determined by the Company at its discretion. The Company contributed \$54,439 and \$140,780 for the years ended October 31, 2024 and 2023, respectively.

**8. Stock purchase**

On June 4, 2008, the Plan purchased 446,428 shares of Scottco Mechanical Contractors, Inc. common stock from two individuals for \$2,999,996. The Plan entered into a loan agreement with Scottco Mechanical Contractors, Inc. in the amount of \$2,999,996, to facilitate the purchase. The loan was nonrecourse and was payable in annual installments of \$428,571 principal plus accrued interest on October 31 each year through 2014. Interest was calculated at Amarillo National Bank's prime rate plus ½%, but not less than 5% or more than 9%. Loan repayments were made from contributions made to the Plan by Scottco Mechanical Contractors, Inc.

The number of shares released each year for allocation was equal to the number of unallocated shares held multiplied by the total of current year principal and interest payments divided by the total future principal and interest payments and current year payments. Shares were released at the fair market value at date of allocation, which is the last day of the Plan year. As of October 31, 2015, the stock purchase loan was paid in full and all stock was released for allocation.

**9. Related party and party in interest transactions**

The Plan invests in Company stock and has no indebtedness to the Company. These are related parties and parties in interest. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

**10. Fair value of financial instruments**

The following methods and assumptions were used by the Plan in estimating its fair value for financial instruments:

*Stock of closely-held corporation* – The fair value of the common stock of the Company is based upon an annual valuation performed by independent certified appraisers.

*Investments* – The fair values of investments are based on unadjusted quoted market prices for those of identical investments.

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

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

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**10. Fair value of financial instruments, continued**

Level 2: Inputs to the valuation methodology include:

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

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

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

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

|  | 2024             |                     |                     |
|--|------------------|---------------------|---------------------|
|  | Level 1          | Level 3             | Total               |
| Investments in Scottco Mechanical Contractors, Inc.<br>common stock at fair value: |                  |                     |                     |
| Non-voting preferred stock   | \$ -             | \$ 114,003          | \$ 114,003          |
| Convertible preferred stock  | -                | 787,626             | 787,626             |
| Common stock   | -                | 1,143,202           | 1,143,202           |
| Money market funds at fair value   | 12,129           | -                   | 12,129              |
| Mutual funds at fair value   | 21,248           | -                   | 21,248              |
| <b>Total assets at fair value</b>  | <b>\$ 33,377</b> | <b>\$ 2,044,831</b> | <b>\$ 2,078,208</b> |

|  | 2023             |                     |                     |
|--|------------------|---------------------|---------------------|
|  | Level 1          | Level 3             | Total               |
| Investments in Scottco Mechanical Contractors, Inc.<br>common stock at fair value: |                  |                     |                     |
| Non-voting preferred stock   | \$ -             | \$ 114,003          | \$ 114,003          |
| Convertible preferred stock  | -                | 762,906             | 762,906             |
| Common Stock   | -                | 1,107,319           | 1,107,319           |
| Money market funds at fair value   | 2,205            | -                   | 2,205               |
| Mutual funds at fair value   | 82,407           | -                   | 82,407              |
| <b>Total assets at fair value</b>  | <b>\$ 84,612</b> | <b>\$ 1,984,228</b> | <b>\$ 2,068,840</b> |

**Scottco Mechanical Contractors, Inc.**  
**Employee Stock Ownership Plan**  
**Notes to Financial Statements**  
**October 31, 2024 and 2023**

**10. Fair value of financial instruments, continued**

**Changes in Fair Value of Level 3 Assets and Related Gains and Losses**

The following table sets forth a summary of changes in fair value of the Plan's level 3 assets for the year ended October 31:

|  | Investment in common stock |              |
|--|----------------------------|--------------|
|  | 2024                       | 2023         |
| Balance, beginning of year                                     | \$ 1,984,228               | \$ 2,347,848 |
| Realized gains (losses)  | -                          | -            |
| Unrealized appreciation (depreciation) in estimated fair value | 60,603                     | (363,620)    |
| Balance, end of year   | \$ 2,044,831               | \$ 1,984,228 |

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

Following is a description of the valuation methodologies used for the level 3 assets measured at fair value. There have been no changes in methodologies used at October 31, 2024.

The Company common stock held by the Plan is reported at fair value based upon an annual independent appraisal. This appraisal was based upon an income valuation technique consistent with prior years. Some of the unobservable inputs include EBITDA, net income, debt-free cash flows, weighted-average cost of capital, and discount rate, among other relevant inputs.

The valuation process involves the selection of an independent appraiser. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. Plan management reviews and approves the appraisal report on an annual basis.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**11. Concentrations**

The Plan has significant investments in the stock of Scottco Mechanical Contractors, Inc. Scottco Mechanical Contractors, Inc. derives approximately 46% to 49% of its gross revenue as a mechanical contractor for industrial and commercial buildings. The remaining gross revenue is derived from plumbing, heating and air conditioning service, maintenance, and replacement. Such work is performed primarily in the Panhandle area of the State of Texas. The value of assets in the Plan is directly related to all economic factors affecting Scottco Mechanical Contractors, Inc.

**12. Subsequent events**

Subsequent events were evaluated through August 15, 2025, the date these financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**Scottco Mechanical Contractors, Inc.  
Employee Stock Ownership Plan and Trust  
EIN #75-1855478, Plan #002**

**Schedule H, 4i – Schedule of Assets Held  
For Investment Purposes at October 31, 2024**

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral par, or maturity value | (d) Cost            | (e) Current value   |
|-----|---|--|---------------------|---------------------|
|     | Baird   | Mutual fund - Baird Aggregate Bond Inst.   | \$ 2,759            | \$ 2,789            |
|     | Dodge & Cox   | Mutual fund - Dodge & Cox Income #147  | 1,376               | 1,397               |
|     | Dimensional Fund Advisor                                  | Mutual fund - DFA Large Cap International I  | 275                 | 292                 |
|     | Federated   | Mutual fund - Federated International Leaders #119   | 290                 | 294                 |
|     | Federated   | Mutual fund - Federated Total Return BD-IN #328  | 2,791               | 2,797               |
|     | Fidelity  | Mutual fund - Fidelity Concord Str. Trust 500 Index Ins. Prem  | 2,585               | 4,035               |
|     | Invesco Premier   | Money market account - Invesco Premier   | 12,129              | 12,129              |
|     | JP Morgan   | Mutual fund - JPMorgan US Growth Advantage I #1567   | 778                 | 936                 |
|     | JP Morgan   | Mutual fund - JPMorgan US Value I #366   | 1,559               | 1,797               |
|     | Nuveen  | Mutual fund - Nuveen Large Cap Growth Idx Inst #7292   | 719                 | 936                 |
|     | Nuveen  | Mutual fund - Nuveen Large Cap Growth Idx Inst #7293   | 1,329               | 1,774               |
|     | Schwab  | Mutual fund - Capital Trust International Index Sic  | 1,390               | 1,491               |
| *   | Scottco Mechanical Contractors, Inc.                      | Shares preferred stock, non-voting, liquidation at \$1 per share   | 114,003             | 114,003             |
| *   | Scottco Mechanical Contractors, Inc.                      | Shares preferred stock, convertible at 1.15 to 1 of common stock   | 641,982             | 787,626             |
| *   | Scottco Mechanical Contractors, Inc.                      | Common stock   | 299,996             | 1,143,202           |
|     | Vanguard  | Mutual fund - Vanguard Mid Cap Index Adm.  | 920                 | 1,127               |
|     | Vanguard  | Mutual fund - Vanguard Small Cap Index Adm.  | 729                 | 830                 |
|     | Voya  | Mutual fund - Voya Small Cap Growth I  | 652                 | 753                 |
|     |   |  | <b>\$ 1,086,262</b> | <b>\$ 2,078,208</b> |

\* Denotes party-in-interest

**Scottco Mechanical Contractors, Inc.  
Employee Stock Ownership Plan and Trust  
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|     | Dimensional Fund Advisor                                  | Mutual fund - DFA Large Cap International I  | 275                 | 292                 |
|     | Federated   | Mutual fund - Federated International Leaders #119   | 290                 | 294                 |
|     | Federated   | Mutual fund - Federated Total Return BD-IN #328  | 2,791               | 2,797               |
|     | Fidelity  | Mutual fund - Fidelity Concord Str. Trust 500 Index Ins. Prem  | 2,585               | 4,035               |
|     | Invesco Premier   | Money market account - Invesco Premier   | 12,129              | 12,129              |
|     | JP Morgan   | Mutual fund - JPMorgan US Growth Advantage I #1567   | 778                 | 936                 |
|     | JP Morgan   | Mutual fund - JPMorgan US Value I #366   | 1,559               | 1,797               |
|     | Nuveen  | Mutual fund - Nuveen Large Cap Growth Idx Inst #7292   | 719                 | 936                 |
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