

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

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- 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 RAULLI & SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN) 002
1c Effective date of plan 01/01/2014
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) RAULLI AND SONS, INC. 213 TEALL AVENUE SYRACUSE, NY 13210
2b Employer Identification Number (EIN) 15-0616714
2c Plan Sponsor's telephone number 315-479-6693
2d Business code (see instructions) 238900

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 rows for employer/plan sponsor and DFE.

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

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	169
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	101
	6a(2)	87
	6b	20
	6c	49
	6d	156
	6e	6
	6f	162
	6g(1)	155
6g(2)	162	
6h	4	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2P 3I

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

9a Plan funding arrangement (check all that apply)	9b 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)

- a Pension Schedules**
- (1) **R** (Retirement Plan Information)
 - (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 - (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
 - (4) **DCG** (Individual Plan Information) – Number Attached _____
 - (5) **MEP** (Multiple-Employer Retirement Plan Information)

- b General Schedules**
- (1) **H** (Financial Information)
 - (2) **I** (Financial Information – Small Plan)
 - (3) **A** (Insurance Information) – Number Attached 0
 - (4) **C** (Service Provider Information)
 - (5) **D** (DFE/Participating Plan Information)
 - (6) **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan RAULLI & SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 RAULLI AND SONS, INC.	D Employer Identification Number (EIN) 15-0616714

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

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	308755	913
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	104412	152464
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	166703
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	6800100	7842600
(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	7213267	8162680
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	1786524	1484884
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	1786524	1484884
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	5426743	6677796

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	370480	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		370480
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	18	
(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)		18
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	180000	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		180000
(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)	1042500	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1592998

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	237616	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		237616
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		103937
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	392	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		392
j Total expenses. Add all expense amounts in column (b) and enter total	2j		341945

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1251053
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

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

(1) Name: **FIRLEY,MORAN,FREER,AND EASSA,CPA,PC**

(2) EIN: **16-1148763**

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

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

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		542675
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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

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

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>RAULLI & SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RAULLI AND SONS, INC.</u>	D Employer Identification Number (EIN) <u>15-0616714</u>	

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

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

1		0
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2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
 EIN(s): 58-1428634

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

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

3	
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Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

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

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

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

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

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

11 a Does the ESOP hold any preferred stock? Yes No

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

a Name of contributing employer _____

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

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

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

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

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

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

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
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).....	14b	
c 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).....	14c	

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

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

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

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

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

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

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

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

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

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

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

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

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

Part VII IRS Compliance Questions

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

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

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 12 / 31 / 2018 (MM/DD/YYYY) and the Opinion Letter serial number Q702454A.

Audited Financial Statements

**RAULLI AND SONS, INC.
EMPLOYEE STOCK
OWNERSHIP PLAN**

December 31, 2024

Audited Financial Statements

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Plan Trustee
Raulli and Sons, Inc. Employee Stock Ownership Plan
Syracuse, New York

Opinion

We have audited the financial statements of Raulli and Sons, Inc. Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, the related statement of changes in net assets available for benefits for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the year ended December 31, 2024, 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 (GAAS). 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 the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 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 (DOL'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 GAAS.

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

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

Sirley, Moran, Green & Esser, CPA, P.C.

Syracuse, New York
September 22, 2025

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

		December 31, 2024		
		<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS				
Cash		\$ 913	\$ -0-	\$ 913
Money market fund		166,703	-0-	166,703
Employer contribution receivables		152,464	-0-	152,464
Investment in Raulli and Sons, Inc.				
Company Stock, at fair value		<u>5,653,207</u>	<u>2,189,393</u>	<u>7,842,600</u>
	TOTAL ASSETS	<u>5,973,287</u>	<u>2,189,393</u>	<u>8,162,680</u>
LIABILITIES				
Loans payable		<u>-0-</u>	<u>1,484,884</u>	<u>1,484,884</u>
	NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 5,973,287</u>	<u>\$ 704,509</u>	<u>\$ 6,677,796</u>

See accompanying notes to financial statements.

December 31, 2023		
<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
\$ 308,755	\$ -0-	\$ 308,755
-0-	-0-	-0-
104,412	-0-	104,412
<u>4,448,399</u>	<u>2,351,701</u>	<u>6,800,100</u>
4,861,566	2,351,701	7,213,267
<u>-0-</u>	<u>1,786,524</u>	<u>1,786,524</u>
<u>\$ 4,861,566</u>	<u>\$ 565,177</u>	<u>\$ 5,426,743</u>

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Year ended December 31, 2024

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS TO NET ASSETS			
Employer contributions	\$ 144,903	\$ 225,577	\$ 370,480
Dividends on Common Stock	-0-	180,000	180,000
Interest and dividends on money market fund	18	-0-	18
Unrealized appreciation in fair value of investments	681,968	360,532	1,042,500
Allocation of 400 shares of Raulli and Sons, Inc. Common Stock, at fair value (\$1,307.10/share)	<u>522,840</u>	<u>-0-</u>	<u>522,840</u>
TOTAL ADDITIONS TO NET ASSETS	1,349,729	766,109	2,115,838
DEDUCTIONS FROM NET ASSETS			
Interest expense	-0-	103,937	103,937
Benefits paid	237,616	-0-	237,616
Administrative expenses	392	-0-	392
Allocation of 400 shares of Raulli and Sons, Inc. Common Stock, at fair value (\$1,307.10/share)	<u>-0-</u>	<u>522,840</u>	<u>522,840</u>
TOTAL DEDUCTIONS FROM NET ASSETS	<u>238,008</u>	<u>626,777</u>	<u>864,785</u>
NET INCREASE	1,111,721	139,332	1,251,053
NET ASSETS AVAILABLE FOR BENEFITS			
Beginning of year	<u>4,861,566</u>	<u>565,177</u>	<u>5,426,743</u>
END OF YEAR	<u>\$ 5,973,287</u>	<u>\$ 704,509</u>	<u>\$6,677,796</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE A--DESCRIPTION OF THE PLAN

The following description of the Raulli and Sons, Inc. Employee Stock Ownership Plan (“the Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General: Raulli and Sons, Inc. (“the Company”) established the Plan effective as of January 1, 2014. The Plan operates in relevant part, as a leveraged employee stock ownership plan (“ESOP”), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Plan Trustee manages the trust fund which is the funding medium used for the accumulation of assets from which benefits will be distributed under the Plan.

On April 30, 2014, the Plan purchased Company Preferred Stock (6,000 shares) from the Company’s three stockholders at \$666.67 per share for a total purchase price of \$4,000,000. The Plan funded the purchase using the proceeds from notes to the stockholders and to the Company (see Note E). The Preferred Stock is held in a trust established under the Plan. On July 23, 2024, the Plan Trustee exercised the right to convert the 6,000 shares of Preferred Stock in accordance with the Plan document. Each share of Preferred Stock was converted into one share of Common Stock representing a 1:1 conversion ratio. The borrowings are to be repaid over a period of fifteen years by fully deductible Company contributions to the Employee Stock Ownership Trust (“Trust Fund”). As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees’ accounts in accordance with applicable regulations under the IRC.

The borrowings are collateralized by the unallocated shares of Common Stock. The Company has no rights against shares of Common Stock once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2024 and 2023 and for the year ended December 31, 2024 present separately the assets and liabilities and changes therein pertaining to:

- a. the accounts of employees with vested rights in allocated Common Stock (allocated) and;
- b. Common Stock not yet allocated to employees (unallocated).

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE A--DESCRIPTION OF THE PLAN--Continued

Eligibility: The Plan is a defined contribution plan covering all employees of the Company not classified as excludable employees, who have completed one year of service with a minimum of 1,000 hours of service during the Plan year and have attained the age of twenty-one. An employee is eligible to enter the Plan on the first day of the Plan year during which the employee satisfies the eligibility requirements. Participants are eligible to receive an allocation of Company discretionary contributions if they have completed a year of service and have at least 1,000 hours of service during the Plan year and are actively employed on the last day of the Plan year.

Contributions: The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. The Company may also make discretionary contributions to the Plan as determined by the Company's Board of Directors. A participant's share of the contribution is based on the ratio of each participant's eligible compensation to the aggregate of all participants' eligible compensation. Participant contributions are not permitted. Contributions are subject to limitations determined by the Internal Revenue Service (IRS). The Company made nondiscretionary contributions of \$322,428 in 2024.

Participant Accounts: The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's Common Stock released by the Trustee from the unallocated account, forfeitures of terminated participants' nonvested accounts, and the participant's share of employer discretionary contributions. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

Dividends: Any cash dividends paid on shares of Company Stock allocated to Participants' Company Stock Accounts and remitted to the Trust Fund will, at the discretion of the Plan Administrator and prior to the close of the Plan Year in which paid, be either (1) applied to repayment of any outstanding Acquisition Loans relating to the Company Stock upon which the dividends are received, (2) distributed to Participants in cash or (3) allocated to each Participant's Company Contribution Account. Dividends paid in 2024 of \$180,000 were applied to repayment of outstanding Acquisition Loans relating to the Company Stock.

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE A--DESCRIPTION OF THE PLAN--Continued

Vesting: Vesting in the Company's contributions plus earnings thereon is based on years of credited service. A participant is fully vested after five years of credited service.

Payment of Benefits: No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), becomes disabled, or otherwise terminates employment with the Company. The Plan allows installment payments over a period of not more than five years, equal to the participant's vested balance. If a participant's balance exceeds certain Plan thresholds, installment payments are permitted to be made over a period of not more than 10 years. If a participant's vested account balance does not exceed \$1,000, and the participant fails to make a distribution election, then the benefit will be distributed in a single lump-sum payment. If a participant's vested account balance exceeds \$1,000, the participant may elect to receive a distribution in installments as discussed previously.

Account Balance Segregation: The Plan permits the segregation of ESOP account balances of terminated participants by substituting cash for the employer stock allocated to the terminated participant's accounts. Any such substitution will be made at the fair market value of the employer stock as determined by the most recent valuation of the ESOP shares.

Forfeitures: Forfeitures are first made available to reinstate previously forfeited account balances of former participants re-employed before five consecutive one-year breaks in service. Remaining forfeitures are allocated to those participants eligible to share in the allocation of Company discretionary contributions in a manner that is based on the participant's compensation for the year. There were \$11,223 of forfeitures allocated in 2024.

Put Option: Federal income tax regulations require that employer stock that is held by the Plan and its participants and is not readily tradeable on an established market 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 value of the stock. The Company can pay for the purchases with interest over a period of five years.

Diversification: Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account as described in the Plan document. Diversification is offered to each eligible participant over a six-year period.

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE A--DESCRIPTION OF THE PLAN--Continued

Voting Rights: The Trustee of the Plan will vote all Company Stock held by it as part of the Plan assets. Provided, however, that a participant 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 with respect to any corporate matter which involves the voting of such shares 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. If the participant does not timely exercise their right to vote Company Stock, the Trustee will vote such Company Stock.

Plan Termination: Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination of the Plan, the Plan administrator shall direct the Trustee to sell all shares of unallocated stock to the extent necessary to repay any loan balance outstanding. In the event of Plan termination, participants will become 100% vested in their accounts.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Investment Valuation and Income Recognition: The Company Stock of Raulli and Sons, Inc. is valued at fair value (using Level 3 measurements) as of December 31, 2024 and 2023. Fair value is determined by an annual independent appraisal. The Plan Administrator determines the Plan's valuation policies utilizing information provided by independent valuation consultants.

The Plan's money market fund is reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the custodian. See Note C for discussion of fair value measurements.

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Investment Valuation and Income Recognition--Continued: Unrealized appreciation in fair value of investments includes the Plan's unrealized gain on Common Stock held during the year.

Purchases and sales of money market shares are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Employer Contribution Receivables: Employer contribution receivables are presented in the statement of net assets for benefits net of any allowance for credit losses. The Plan Administrator believes that no allowance for credit losses is necessary at December 31, 2024 and 2023.

Benefit Payments: Benefits are recorded when paid.

Administrative Expenses: Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of the loans payable are paid directly by the Plan and are included in administrative expenses.

Concentration of Credit Risk: Financial instruments which potentially subject the Plan to concentrations of credit risk consist principally of cash balances which periodically may exceed federally insured limits. The Plan has not experienced any loss in such account and the Plan Sponsor believes it is not exposed to any significant risk on cash.

Events Occurring After Reporting Date: Plan management has evaluated events and transactions that occurred between December 31, 2024 and September 22, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. There were no such events or transactions identified by Plan Management.

NOTE C--FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board Accounting Standards Codification Topic 820, "Fair Value Measurements and Disclosures", 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. |
|---------|---|

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE C--FAIR VALUE MEASUREMENTS--Continued

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for Plan assets measured at fair value:

Money Market Fund: The fair value of the money market fund approximates the carrying value due to the nature of the instrument.

Sponsor Company Stock: Investment in the Sponsor Company Stock is reported at fair value based on an annual independent appraisal. This investment has been valued using Level 3 inputs within the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while 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. There have been no changes in the methodologies used at December 31, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE C--FAIR VALUE MEASUREMENTS--Continued

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

	Investments at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Money market fund	\$ 166,703	\$ -0-	\$ -0-	\$ 166,703
Sponsor company common stock	<u>-0-</u>	<u>-0-</u>	<u>7,842,600</u>	<u>7,842,600</u>
	<u>\$ 166,703</u>	<u>\$ -0-</u>	<u>\$ 7,842,600</u>	<u>\$ 8,009,303</u>
	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Sponsor company preferred stock	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 6,800,100</u>	<u>\$ 6,800,100</u>

Level 3 Gains and Losses: The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31:

	2024	2023
	Common	Preferred
Sponsor Company Stock:		
Balance, beginning of year	\$ 6,800,100	\$ 6,576,360
Unrealized appreciation in fair value	<u>1,042,500</u>	<u>223,740</u>
Balance, end of year	<u>\$ 7,842,600</u>	<u>\$ 6,800,100</u>

NOTE D--INVESTMENT IN COMPANY STOCK

The Plan's investment in Company stock at December 31 is as follows:

	2024 - Common		2023 - Preferred	
	Allocated	Unallocated	Allocated	Unallocated
Sponsor Company Stock:				
Number of shares	<u>4,325</u>	<u>1,675</u>	<u>3,925</u>	<u>2,075</u>
Cost	<u>\$ 2,883,333</u>	<u>\$ 1,116,667</u>	<u>\$ 2,616,667</u>	<u>\$ 1,383,333</u>
Fair value	<u>\$ 5,653,207</u>	<u>\$ 2,189,393</u>	<u>\$ 4,448,399</u>	<u>\$ 2,351,701</u>

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE E--LOANS PAYABLE

On April 30, 2014, the Plan entered into multiple loan agreements totaling \$4,000,000 with the Company and the Company’s three stockholders. The proceeds of the loans were used to purchase 6,000 shares of the Company’s Stock from the Company’s three stockholders. Unallocated shares are collateral for the loans. The agreements provide for the loans to be repaid over fifteen years. The Company makes contributions to the Plan which, at a minimum, equal the amount necessary to make its regularly scheduled payments of principal and interest due on the loans. As of December 31, 2024 and 2023 loans payable consists of the following:

	<u>2024</u>	<u>2023</u>
Term notes payable to three stockholders in quarterly installments aggregating \$37,311, including interest at 5.75% beginning July 1, 2014 and continuing through April 1, 2029.	\$ 559,183	\$ 672,182
Term notes payable to three stockholders in quarterly installments aggregating \$42,881, including interest at 8.00% beginning July 1, 2014 and continuing through April 1, 2029.	612,845	729,452
Term note payable to the Company in annual installments of \$84,812, including interest at 3.32% beginning December 31, 2014 and continuing through December 31, 2028.	<u>312,856</u>	<u>384,890</u>
	<u>\$ 1,484,884</u>	<u>\$ 1,786,524</u>

The term notes payable to the three stockholders are guaranteed by the Plan Sponsor.

Subsequent maturities of loans for the years ending December 31 are: 2025--\$320,283; 2026--\$340,187; 2027--\$361,444; 2028--\$384,152; 2029--\$78,818.

NOTE F--RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan’s assets, which consist principally of the Company’s Stock, are in the custody of the Company’s treasurer or its legal representative. All transactions involving Company stock are party in interest transactions.

Administrative expenses for legal, auditing, and stock appraisal services are rendered by parties in interest. Fees for these services are paid directly by the Company.

NOTES TO FINANCIAL STATEMENTS--Continued

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2024 and 2023

NOTE G--TAX STATUS

Effective January 1, 2022, the Plan adopted a non-standardized form of a prototype plan sponsored by Steven & Lee, P.C. The prototype plan provider has received an opinion letter from the IRS as to the prototype plan's qualified status dated June 30, 2020. The prototype plan opinion letter has been relied upon by this Plan. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2021.

NOTE H--RISKS AND UNCERTAINTIES

The fair value of the stock held by the Plan, and allocated to individual participant accounts, is stated at fair value based on an independent appraisal, which was most recently completed as of December 31, 2024. The investment in Company stock is exposed to the risks of further changes in the value of the Company stock, which may occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the financial statements. However, the effects are uncertain as of date of the financial statements. Therefore, the Plan's financial statements do not include any adjustment that might result from this uncertainty.

SCHEDULE H, LINE 4i--SCHEDULE OF ASSETS (HELD AT END OF YEAR)

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

EIN: 15-0616714 PLAN NUMBER: 002

December 31, 2024

<u>(a)</u>	<u>(b) Identity of issue, borrower, lessor or similar party</u>	<u>(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value</u>	<u>(d) Cost</u>	<u>(e) Current value</u>
	<u>Money Market Fund</u>			
*	Pacific Premier Bank	166,703 Shares	\$ 166,703	\$ 166,703
	<u>Common Stock:</u>			
*	Raulli and Sons, Inc.	6,000 Shares Common Stock acquired April 2014 at fair value	<u>4,000,000</u>	<u>7,842,600</u>
		GRAND TOTAL	<u>\$4,166,703</u>	<u>\$ 8,009,303</u>

* Denotes party in interest.

SCHEDULE H, LINE 4i--SCHEDULE OF ASSETS (HELD AT END OF YEAR)

RAULLI AND SONS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

EIN: 15-0616714 PLAN NUMBER: 002

December 31, 2024

<u>(a)</u>	<u>(b) Identity of issue, borrower, lessor or similar party</u>	<u>(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value</u>	<u>(d) Cost</u>	<u>(e) Current value</u>
	<u>Money Market Fund</u>			
*	Pacific Premier Bank	166,703 Shares	\$ 166,703	\$ 166,703
	<u>Common Stock:</u>			
*	Raulli and Sons, Inc.	6,000 Shares Common Stock acquired April 2014 at fair value	<u>4,000,000</u>	<u>7,842,600</u>
		GRAND TOTAL	<u>\$4,166,703</u>	<u>\$ 8,009,303</u>

* Denotes party in interest.