

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: ESCALANTE CONCRETE EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2021
2a Plan sponsor's name (employer, if for a single-employer plan): ESCALANTE CONCRETE CONSTRUCTION, INC.
2b Employer Identification Number (EIN): 86-0655514
2c Plan Sponsor's telephone number: 520-887-8682
2d Business code (see instructions): 236200

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

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

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

<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: <b>a</b> Sponsor's name <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>	227
<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>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <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>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>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>	199
	<b>6a(2)</b>	198
	<b>6b</b>	0
	<b>6c</b>	37
	<b>6d</b>	235
	<b>6e</b>	0
	<b>6f</b>	235
	<b>6g(1)</b>	211
<b>6g(2)</b>	233	
<b>6h</b>	22	
<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:  
20 3I

**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 <u>0</u>
(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 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 \_\_\_\_\_

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<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>ESCALANTE CONCRETE 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 <b>ESCALANTE CONCRETE CONSTRUCTION, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>86-0655514</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
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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
<b>Assets</b>			
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	97	22
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	0	0
<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>(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>(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>(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>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>		
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</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)	8760000	10910000
(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	8760097	10910022
<b>Liabilities</b>			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	20194656	19514682
j Other liabilities.....	1j	97	22
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	20194753	19514704
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	-11434656	-8604682

**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)	1141483	
(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)		1141483
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	2150000	
(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)		
<b>c</b> Other income .....	2c		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	2d		3291483

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	7130	
(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)		7130
<b>f</b> Corrective distributions (see instructions) .....	2f		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	2g		
<b>h</b> Interest expense.....	2h		454379
<b>i</b> 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)		
(12) Total administrative expenses. Add lines 2i(1) through (11) .....	2i(12)		0
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	2j		461509

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line 2j from line 2d.....	2k		2829974
<b>l</b> 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: **BEACHFLEISCHMAN PLLC**

(2) EIN: **86-0683059**

**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		2000000
<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> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<b>A</b> Name of plan <u>ESCALANTE CONCRETE 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 <u>ESCALANTE CONCRETE CONSTRUCTION, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>86-0655514</u>	

<b>Part I</b>	<b>Distributions</b>
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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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<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.)
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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.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>	
<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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
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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

<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.
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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 \_\_\_\_\_

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**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

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**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 \_\_\_/\_\_\_/\_\_\_\_ (MM/DD/YYYY) and the Opinion Letter serial number \_\_\_\_\_.

# Escalante Concrete Employee Stock Ownership Plan

Year Ended December 31, 2024

# Escalante Concrete Employee Stock Ownership Plan

Year Ended December 31, 2024

## CONTENTS

Independent auditors' report	1 - 3
Financial statements:	
Statements of net assets (deficit) available for benefits	4
Statement of changes in net assets (deficit) available for benefits	5
Notes to financial statements	6 - 14
Supplemental information:	
Schedule H, Line 4i - Schedule of assets (held at end of year)	15

## Independent Auditors' Report

Trustee and Management  
Escalante Concrete Employee Stock Ownership Plan  
Tucson, Arizona

### **Opinion**

We have audited the accompanying financial statements of Escalante Concrete Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2024 and 2023, and the related statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2024, 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 (deficit) available for benefits of Escalante Concrete Employee Stock Ownership Plan as of December 31, 2024 and 2023, and the changes in its net assets (deficit) 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Escalante Concrete Employee Stock Ownership 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 Escalante Concrete Employee Stock Ownership Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Escalante Concrete Employee Stock Ownership 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 Escalante Concrete Employee Stock Ownership 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 audit was 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 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 auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

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

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

*BeachFleischman PLLC*

Tucson, Arizona  
September 29, 2025

## Escalante Concrete Employee Stock Ownership Plan

### Statements of Net Assets (Deficit) Available for Benefits

December 31, 2024 and 2023

	2024			2023		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
<b>Assets:</b>						
Cash and cash equivalents	\$ 22	\$ -	\$ 22	\$ 97	\$ -	\$ 97
Investments, at fair value:						
Escalante Concrete Construction, Inc. common stock	<u>2,120,421</u>	<u>8,789,579</u>	<u>10,910,000</u>	<u>1,381,763</u>	<u>7,378,237</u>	<u>8,760,000</u>
Total assets	<u>2,120,443</u>	<u>8,789,579</u>	<u>10,910,022</u>	<u>1,381,860</u>	<u>7,378,237</u>	<u>8,760,097</u>
<b>Liabilities:</b>						
Note payable	-	19,514,682	19,514,682	-	20,194,656	20,194,656
Expense payable	<u>22</u>	<u>-</u>	<u>22</u>	<u>97</u>	<u>-</u>	<u>97</u>
Total liabilities	<u>22</u>	<u>19,514,682</u>	<u>19,514,704</u>	<u>97</u>	<u>20,194,656</u>	<u>20,194,753</u>
Net assets (deficit) available for benefits	<u>\$ 2,120,421</u>	<u>\$ (10,725,103)</u>	<u>\$ (8,604,682)</u>	<u>\$ 1,381,763</u>	<u>\$ (12,816,419)</u>	<u>\$ (11,434,656)</u>

See notes to financial statements.

## Escalante Concrete Employee Stock Ownership Plan

### Statement of Changes in Net Assets (Deficit) Available for Benefits

Year ended December 31, 2024

	Allocated	Unallocated	Total
Additions to net assets attributed to:			
Investment income:			
Net appreciation in fair value of investments	\$ 339,130	\$ 1,810,870	\$ 2,150,000
Employer contributions	7,132	1,134,351	1,141,483
Allocation of 36,620 shares of Escalante Concrete common stock, at fair value	399,526	-	399,526
Total additions	745,788	2,945,221	3,691,009
Deductions from net assets attributed to:			
Interest expense	-	454,379	454,379
Benefits paid to participants	7,130	-	7,130
Allocation of 36,620 shares of Escalante Concrete common stock, at fair value	-	399,526	399,526
Total deductions	7,130	853,905	861,035
Net increase	738,658	2,091,316	2,829,974
Net assets (deficit) available for benefits:			
Beginning of year	1,381,763	(12,816,419)	(11,434,656)
End of year	\$ 2,120,421	\$ (10,725,103)	\$ (8,604,682)

See notes to financial statements.

# Escalante Concrete Employee Stock Ownership Plan

## Notes to Financial Statements

Year Ended December 31, 2024

### 1. Description of plan:

The following description of the Escalante Concrete 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:

Escalante Concrete Construction, Inc. (Sponsor or Company) established the Plan effective January 1, 2021. The Plan operates as a leveraged employee stock ownership plan (ESOP) and is designed to comply with the Section 4975(e)(7) and regulations thereunder of the Internal Revenue Code (IRC) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Independent Trustee who is appointed by the Escalante Concrete Construction, Inc. Board of Directors.

In April 2022, the Plan purchased 1,000,000 shares of the Company's common stock at \$23.6654 per share, for an aggregate purchase price of \$23,665,477, with \$2,000,000 of cash and the issuance of a \$21,665,477 note payable to the Company (see Note 6). The borrowing is collateralized by the unallocated shares of common stock. The Plan holds the common stock in a Trust established under the Plan. The borrowings are to be repaid over a period of 25 years from Sponsor contributions and distributions to the trust fund. As the Plan makes each loan payment, an appropriate percentage of stock will be allocated to eligible participants' accounts in accordance with applicable regulations under the Code.

The unallocated shares of stock are pledged as collateral for the stock acquisition loan. The Sponsor has no rights against shares once they are allocated to participants under the Plan. 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, liabilities, and changes therein pertaining to:

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

#### Eligibility:

The Plan covers substantially all employees of the Company, except employees covered by a collective bargaining agreement or employed by a related employer, leased employees, independent contractors and nonresident aliens with no U.S. source income. Employees are eligible to participate in the Plan coincident with or immediately after attaining the age of 21 and completion of one year of service, providing they worked at least 1,000 hours during such Plan year. If an employee was employed by the Sponsor on January 1, 2021 (regardless of age or service), they automatically became a participant of the Plan on that date. Participants will be eligible for an allocation of Company contributions and forfeitures during each Plan year in which they complete at least 1,000 hours and are employed by the Company on the last day of the Plan year.

# Escalante Concrete Employee Stock Ownership Plan

## Notes to Financial Statements (continued)

Year Ended December 31, 2024

1. Description of plan (continued):

Employer contributions:

The Company is obligated to make cash contributions to the Plan which, when aggregated with the Plan's dividends and interest earnings, if any, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its note payable. The Company may make additional contributions of cash or shares of Company stock in such amounts as may be determined by the Company's Board of Directors, provided total employer contributions do not exceed the maximum amounts deductible under the Internal Revenue Code (IRC). Shares of contributed Company stock are valued at their fair market value as of the end of the Plan year.

Participants' 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 allocations of common stock at fair value, employer contributions, Plan earnings and forfeitures of other participants' non-vested account balances, and charged with an allocation of Plan expenses. Common stock, employer contributions and Plan forfeitures are allocated based on the ratio of the participant's eligible compensation, relative to total eligible compensation for the Plan year. Plan earnings and expenses 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 year account balances. The Plan does not permit participant contributions.

Vesting:

Participants vest at 20% annually, beginning with the completion of their second year, and are fully vested after six years of credited service, or upon the normal retirement date. The Plan defines a year of credited service to be a Plan year (January 1 - December 31) with the participant rendering at least 1,000 hours of service. Upon death or total disability of a participant prior to retirement, the participant's account balance shall become fully vested.

Forfeitures:

The non-vested portion of terminated participants' accounts remains in the Plan, with no additional contributions or forfeitures allocated to it. Upon the earlier of the distribution of the vested portion of the participant account or completion of a break-in-service of five or more consecutive years, the non-vested portion of the account is forfeited. The forfeited amounts are then reallocated to the accounts of remaining Plan participants at the end of the Plan year in which the forfeiture occurs, or if later, the date of the break-in service. Forfeitures are reallocated to eligible participants in the same way as employer contributions. During 2024 and 2023, \$12,561 and \$20,697 of forfeitures were reallocated to eligible participant accounts.

# Escalante Concrete Employee Stock Ownership Plan

## Notes to Financial Statements (continued)

Year Ended December 31, 2024

1. Description of plan (continued):

Payment of benefits:

No distributions from the Plan are made until a participant retires, dies, is disabled, or otherwise terminates employment with the Company. Normal retirement age is 65. Since the Sponsor has elected to be taxed as an S-corporation, distributions can be made in cash or, at the discretion of the Plan administrator, in stock which must be immediately sold to the Company at fair value. The participant shall not have any right to receive shares of the Company's stock.

Distributions based upon death, disability or retirement will commence no later than one year after the close of the Plan year following the event. Distributions for other separations from service commence in the fifth Plan year following the separation from service. The amount to be distributed is based on the immediately preceding valuation date. A participant whose vested account balance exceeds \$1,000, but who has not attained normal retirement age, must consent in writing to receive a distribution.

If the participant's account is less than \$1,000, regardless of the reason for separation from service, a lump sum distribution will occur as soon as administratively feasible in the Plan year following the separation from service. Distributions for participants whose account value exceeds \$1,380,000 shall be paid over five years plus one year for every \$275,000 in excess of \$1,380,000.

Diversification:

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution.

Voting rights:

For extraordinary corporate transactions, such as a merger, consolidation or sale of the Company, each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee will vote for allocated shares for which voting directions are not provided. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries. The Trustee will vote all shares in all non-extraordinary corporate matters.

# Escalante Concrete Employee Stock Ownership Plan

## Notes to Financial Statements (continued)

Year Ended December 31, 2024

1. Description of plan (continued):

Put option:

The Company stock that is held by the Plan and its participants is subject to a put option. In the event that a participant receives a distribution in Company stock which is not immediately repurchased by the Company, the participant will be offered the option. The put option grants the participant the right for a sixty day period after the stock is distributed to require the Company to purchase stock included in the participant's account at fair market value. If the put option is not exercised within the first sixty days, the participant will have an additional sixty days in the following Plan year. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

2. Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the trustee 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.

Allocations:

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated common stock and employer contributions (allocated) and (b) stock not yet allocated to employees (unallocated), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Investment valuation and income recognition:

Investments are 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. See Note 4 for discussion of the fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis.

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments bought and sold as well as held during the year.

Payments of benefits:

Benefits paid to participants are recorded when paid.

# Escalante Concrete Employee Stock Ownership Plan

## Notes to Financial Statements (continued)

Year Ended December 31, 2024

2. Summary of significant accounting policies (continued):

Expenses:

Certain expenses of maintaining the Plan are paid by the Plan unless otherwise paid for by the Sponsor.

Subsequent events:

The Plan has evaluated the events that have occurred subsequent to December 31, 2024 through , the date that the financial statements were available to be issued. The Plan has no responsibility to update these financial statements for events and circumstances occurring after this date.

3. Federal income tax status:

The Internal Revenue Service has determined and informed the Plan by a letter dated June 15, 2023, that the Plan and related Trust are designed in accordance with applicable sections of the IRC. The Trustee and the Plan Sponsor believe that the Plan is designed and is currently 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.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

4. Fair value measurements:

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

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

## Escalante Concrete Employee Stock Ownership Plan

### Notes to Financial Statements (continued)

Year Ended December 31, 2024

4. 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 or active markets that the Plan does not have access to;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Transfers between levels are recorded at the beginning of the reporting period in which they occur. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

At December 31, 2024, the fair value of assets measured on a recurring basis is as follows:

	Fair value	Level 1	Level 2	Level 3
Escalante Concrete Construction, Inc. common stock	\$ 10,910,000	\$ -	\$ -	\$ 10,910,000

At December 31, 2023, the fair value of assets measured on a recurring basis is as follows:

	Fair value	Level 1	Level 2	Level 3
Escalante Concrete Construction, Inc. common stock	\$ 8,760,000	\$ -	\$ -	\$ 8,760,000

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Escalante Concrete Construction, Inc. common stock: Investments are valued on an annual basis by an independent valuation analyst using generally accepted valuation approaches and level 3 inputs. The appraisal was based on a combination of the income and market valuation techniques as illustrated in the following table:

## Escalante Concrete Employee Stock Ownership Plan

### Notes to Financial Statements (continued)

Year Ended December 31, 2024

4. Fair value measurements (continued):

<i><b>Instrument</b></i>	<i><b>Principal Valuation Technique</b></i>	<i><b>Unobservable Inputs</b></i>
Escalante Concrete Construction, Inc. common stock	Income	Adjusted EBITDA Cash-free net working capital Weighted average cost of capital Long-term growth rate Discount rate Discount for lack of marketability
	Market	Capitalization rate EBITDA average Discount for lack of marketability

The valuation process involves the selection of an appraiser under an annual contract. Plan management accumulated the data for the appraiser from historical financial information of the Company. The appraiser prepares a preliminary report that the ESOP Committee, along with the Trustee, reviews in detail, discusses, and approves.

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.

5. Investments:

The Plan's investments, at December 31, 2024 and 2023, all of which are nonparticipant directed, are as follows:

	2024		
	Allocated	Unallocated	Total
Escalante Concrete Construction, Inc. common stock:			
Number of shares	194,356	805,644	1,000,000
Cost	\$ 4,599,506	\$ 19,065,971	\$ 23,665,477
Fair value	\$ 2,120,421	\$ 8,789,579	\$ 10,910,000

## Escalante Concrete Employee Stock Ownership Plan

### Notes to Financial Statements (continued)

Year Ended December 31, 2024

5. Investments (continued):

	2023		
	Allocated	Unallocated	Total
Escalante Concrete Construction, Inc. common stock:			
Number of shares	157,736	842,264	1,000,000
Cost	\$ 3,732,874	\$ 19,932,603	\$ 23,665,477
Fair value	\$ 1,381,763	\$ 7,378,237	\$ 8,760,000

6. Related party and party in interest transactions:

Administrative costs:

Administrative costs of the Plan related to administration of participant accounts and benefits, accounting and legal fees were paid directly by the Sponsor. Expenses that are paid directly by the Sponsor are excluded from these financial statements. Employees of the Sponsor perform certain accounting and administrative functions for the Plan, however, no employee receives compensation from the Plan.

Note payable:

In April 2022, the Plan signed a promissory note to Escalante Concrete Construction, Inc., in the amount of \$21,665,477, payable in annual installments of \$1,134,353 including interest at 2.25% through December 2046. The proceeds of the loan were used to purchase Company common stock. The note is collateralized by unallocated shares of the Company's common stock owned by the Plan. Shares will be released from collateral and allocated to participants as payments of principal and interest are made. The agreement provides for the loan to be repaid over 25 years. The number of shares released in any year is the number of shares held as collateral, times the ratio of current year payments divided by the total of this year's payments, plus all future years' principal and interest payments, which resulted in 36,620 shares being released and allocated for the plan year ended December 31, 2024. The outstanding balance as of December 31, 2024 was \$19,514,682.

The principal amounts due for each Plan year are as follows:

Year ending <u>December 31,</u>	
2025	\$ 695,153
2026	710,794
2027	726,787
2028	743,140
2029	759,860
Thereafter	<u>15,878,948</u>
	<u>\$ 19,514,682</u>

## Escalante Concrete Employee Stock Ownership Plan

### Notes to Financial Statements (continued)

Year Ended December 31, 2024

6. Related party and party in interest transactions (continued):

These transactions qualify as exempt party in interest transactions under ERISA.

7. Plan termination:

Although it has not expressed any intent to do so, the Company has the right to discontinue contributions and to terminate the Plan at any time, subject to ERISA. Upon termination of the Plan, the Trustee will be directed to pay all liabilities and expenses of the ESOP and to sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Upon such termination, the interest of each Participant will be distributed to them or their beneficiary at the time prescribed by the Plan terms and applicable regulations.

8. Risks and uncertainties:

The Plan invests primarily in the common stock of a single entity, and as a result, will be exposed to risks such as interest rate, market conditions, and credit risks as well as valuation assumptions based on earnings, cash flows and other such techniques. Due to the level of risk associated with this type of investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported on the statements of net assets (deficit) available for benefits.

## Escalante Concrete Employee Stock Ownership Plan

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

EIN: 86-0655514 Plan #002

December 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
	Bankers Trust	Checking account	<u>\$ 22</u>	<u>\$ 22</u>
*	Escalante Concrete Construction, Inc.	Common stock, 1,000,000 shares, \$0.001 par value	<u>\$ 23,665,477</u>	<u>\$ 10,910,000</u>

\* Represents a party in interest

**Schedule H, Line 4i**  
**Schedule of Assets (Held At End of Year)**

Name of Plan:

► Escalante Concrete Employee Stock Ownership Plan

Employer Identification Number: ► 86-0655514

For plan year (beginning/ending): ► 1/1/2024 - 12/31/2024

Plan number: ►

2

(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
*	Escalante Concrete Construction, Inc,	1000000 Shares of common stock	23,665,477.00	10,910,000.00
*	Party-in-interest			