

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 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>
A This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____	
B This return/report is: ☐ the first return/report ☐ an amended return/report ☐ the final return/report ☐ a short plan year return/report (less than 12 months)	
C If the plan is a collectively-bargained plan, check here. ▶ ☐	
D Check box if filing under: ☒ Form 5558 ☐ special extension (enter description) ☐ automatic extension ☐ the DFVC program	

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>RCF EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>003</u>
		1c	Effective date of plan <u>10/01/2006</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>RCF INFORMATION SYSTEMS, INC.</u> <u>4200 COLONEL GLENN HWY STE 100</u> <u>BEAVERCREEK, OH 45431-1670</u>	2b	Employer Identification Number (EIN) <u>31-1044615</u>
		2c	Plan Sponsor's telephone number <u>937-427-5680</u>
		2d	Business code (see instructions) <u>541513</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	<u>10/14/2017</u> Date	<u>ROGER HARRIS</u> Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 247
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 160
a(2) Total number of active participants at the end of the plan year	6a(2) 127
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 99
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 226
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 226
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 222
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 24
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 2Q 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) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules	b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan RCF EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 RCF INFORMATION SYSTEMS, INC.	D Employer Identification Number (EIN) 31-1044615	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	0	12815
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1237810	39971
(2) U.S. Government securities	1c(2)	144877	742971
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	0	96585
(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)	0	363710

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	13200000	18203683
(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	14582687	19459735

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	1900000	450000
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1900000	450000

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	12682687	19009735
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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)	907493	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	5243	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		912736
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	186	
(B) U.S. Government securities	2b(1)(B)	8612	
(C) Corporate debt instruments	2b(1)(C)	2123	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	20715	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		31636
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	814171	
(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)		814171
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	1538813	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1543751	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-4938
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	4980871	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		4980871

		(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		6734476

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	308277	
(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)		308277
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		97092
i Administrative expenses: (1) Professional fees.....	2i(1)	2059	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2059
j Total expenses. Add all expense amounts in column (b) and enter total	2j		407428

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6327048
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) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: KENTNER SELLERS, LLP

(2) EIN: 31-0787612

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

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

Part IV Compliance Questions

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

During the plan year:

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

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.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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

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 If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>RCF EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RCF INFORMATION SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>31-1044615</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	<u>0</u>
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): <u>58-1428634</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

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Schedule R (Form 5500) 2016
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Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	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
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
	a Enter the percentage of plan assets held as: Stock: <u>0.0</u> % Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%	
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	



RCF EMPLOYEE STOCK OWNERSHIP PLAN

**FINANCIAL STATEMENTS
and SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2016 and 2015

RCF EMPLOYEE STOCK OWNERSHIP PLAN
YEARS ENDED DECEMBER 31, 2016 and 2015

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Independent Auditors' Report

To the Participants and Trustees of
RCF Employee Stock Ownership Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the RCF Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in its net assets available for benefits for the year ended December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

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), referred to as supplemental information, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kentner Sellers, LLP

KENTNER SELLERS, LLP

October 13, 2017

RCF EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016 and 2015

	<u>December 31, 2016</u>			<u>December 31, 2015</u>		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS:						
Investments:						
Investment in Sponsor Company						
common stock, at fair value	\$ 17,591,633	\$ 612,050	\$ 18,203,683	\$ 11,159,192	\$ 2,040,808	\$ 13,200,000
Money market funds	39,971	0	39,971	1,237,810	0	1,237,810
U.S. government securities	742,971	0	742,971	144,877	0	144,877
Corporate bonds	96,585	0	96,585	0	0	0
Foreign bonds and debentures	44,965	0	44,965	0	0	0
Municipal bonds	<u>318,745</u>	<u>0</u>	<u>318,745</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>18,834,870</u>	<u>612,050</u>	<u>19,446,920</u>	<u>12,541,879</u>	<u>2,040,808</u>	<u>14,582,687</u>
Receivables:						
Other	<u>12,815</u>	<u>0</u>	<u>12,815</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u>18,847,685</u>	 <u>612,050</u>	 <u>19,459,735</u>	 <u>12,541,879</u>	 <u>2,040,808</u>	 <u>14,582,687</u>
LIABILITIES:						
Loans payable	<u>0</u>	<u>450,000</u>	<u>450,000</u>	<u>0</u>	<u>1,900,000</u>	<u>1,900,000</u>
 Total Liabilities	 <u>0</u>	 <u>450,000</u>	 <u>450,000</u>	 <u>0</u>	 <u>1,900,000</u>	 <u>1,900,000</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 18,847,685</u></u>	 <u><u>\$ 162,050</u></u>	 <u><u>\$ 19,009,735</u></u>	 <u><u>\$ 12,541,879</u></u>	 <u><u>\$ 140,808</u></u>	 <u><u>\$ 12,682,687</u></u>

See Notes to Financial Statements.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2016

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:			
Employer contributions	\$ 0	\$ 907,493	\$ 907,493
Other contributions	5,243	0	5,243
Investment income:			
Net unrealized appreciation in fair value of investments - Sponsor Company common shares	4,321,689	681,995	5,003,684
Other investment income	818,056	0	818,056
Allocation of 122,326 shares of common stock of Sponsor Company, at fair value	<u>1,296,582</u>	<u>0</u>	<u>1,296,582</u>
Total Additions	<u>6,441,570</u>	<u>1,589,488</u>	<u>8,031,058</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:			
Interest expense	0	97,092	97,092
Administrative expenses	2,059	0	2,059
Participants' benefits paid	133,705	174,572	308,277
Allocation of 122,326 shares of common stock of Sponsor Company, at fair value	<u>0</u>	<u>1,296,582</u>	<u>1,296,582</u>
Total Deductions	<u>135,764</u>	<u>1,568,246</u>	<u>1,704,010</u>
NET INCREASE	<u>6,305,806</u>	<u>21,242</u>	<u>6,327,048</u>
NET ASSETS AVAILABLE FOR BENEFITS - Beginning of Year	<u>12,541,879</u>	<u>140,808</u>	<u>12,682,687</u>
NET ASSETS AVAILABLE FOR BENEFITS - End of Year	<u><u>\$ 18,847,685</u></u>	<u><u>\$ 162,050</u></u>	<u><u>\$ 19,009,735</u></u>

See Notes to Financial Statements.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE PLAN

The following description of the RCF Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

RCF Information Systems, Inc., (the Company) established the RCF Employee Stock Ownership Plan effective as of October 1, 2006. 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, (the Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Sponsor Company's Board of Directors. The trust department of an independent third-party is the Plan's Trustee.

The Plan purchased Company common shares using the proceeds of a bank borrowing and seller notes (Note D), all guaranteed by the Company, and holds the stock in a trust established under the Plan. The bank borrowing is to be repaid over a period of ten years beginning April 16, 2008, by fully deductible Company contributions to the trust fund. The seller notes were to be repaid over a period of five years starting April 16, 2012, by fully deductible Company contributions to the trust fund. On December 29, 2011, a portion of the seller note debt was extinguished, and the remaining balance due on the seller notes was refinanced through a bank borrowing (Note D). The refinanced bank borrowing is to be repaid over a period of five years beginning December 29, 2012, by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Shares vest fully upon allocation.

The borrowings are collateralized by the unallocated shares of stock and are guaranteed by the Company. The lenders have no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2016 and 2015, and for the year ended December 31, 2016, present separately the assets and liabilities and changes therein pertaining to:

- The accounts of employees with vested rights in allocated stock (allocated), and
- Stock not yet allocated to employees (unallocated).

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE PLAN (Continued)

Eligibility

Employees of the Company are generally eligible to participate in the Plan on the latter of January 1 immediately preceding the attainment of 21 years of age and completion of an eligibility period of service of 500 hours during such Plan Year. Participants who do not have an eligibility period of service during such Plan Year or are not employed on the last working day of a Plan Year are generally not eligible for an allocation of Company contributions for such year.

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 and forfeitures of terminated participants' nonvested accounts. 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.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company according to the following schedule:

<u>COMPLETED YEARS OF SERVICE</u>	<u>PERCENTAGE VESTED</u>
0	0%
1	20%
2	40%
3	60%
4	80%
5	100%

A year of service is earned during each Plan Year that a participant completes 1,000 hours of service.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits

No distributions from the Plan will be made until a participant retires, becomes permanently disabled, dies, or otherwise terminates employment with the Company. Distributions are made in cash or, if a participant elects, in the form of Company common shares plus cash for any fractional share.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. For the year ended December 31, 2016, the Company repurchased 13,225 shares of stock for \$174,572. For the year ended December 31, 2015, the Company repurchased 8,644 shares of stock for \$116,700.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. All allocated shares of Company common stock as to which such instructions have been timely received shall be voted by the Trustee in accordance with such instructions. The Trustee shall vote any unallocated shares and any allocated shares to which no voting instructions have been received on behalf of the collective best interest of Plan participants and beneficiaries.

Put Option

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

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE A - DESCRIPTION OF THE PLAN (Continued)

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. 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. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares 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.

Participant Accounts and Forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan Year. For the year ending December 31, 2016, there were no forfeitures. For the year ending December 31, 2015, forfeitures of \$46,701 were allocated to Plan participants. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

Liquidation of Inactive Participant Accounts

Following a participant's one-year break in service (at which time he or she becomes an inactive participant), the Plan Administrator may reallocate any cash or other liquid assets held in the cash accounts of participants who are actively employed by the Plan Sponsor (active participants) in exchange for the shares of the Sponsor Company stock held in the inactive participant's stock account based on the most recent appraised fair market value. The proceeds of the shares of Sponsor Company stock purchased from an inactive participant shall be held in a special liquidated stock account on behalf of the inactive participant and shall be invested by the Trustee, as directed by the Plan Administrator, in certain approved diversified investment funds. An inactive participant's liquidated stock account shall be distributed in accordance with the Plan. At December 31, 2016 and 2015, the total fair value of inactive participants' liquidated stock accounts was \$1,250,809 and \$1,382,687, respectively.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan prepares its financial statements using 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 management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The common shares of the Company are valued at fair value on December 31, 2016 and 2015. Fair value is determined by annual independent appraisals. All other investments are reported at fair value as determined by the Custodian and Trustees. The fair value of marketable securities is based on quotations obtained from national securities exchanges. Quotations are obtained from other published sources when marketable securities are not listed on an exchange. See Note G for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from security transactions are reported on the average cost method.

Operating Expenses

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

Accounting Changes

In May 2015, the FASB issued ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share, which exempts investments measured using the net asset value (NAV) practical expedient in ASC 820, Fair Value Measurement, from categorization within the fair value hierarchy. The guidance requires retrospective application and is effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Management elected to early-adopt the provisions of this new standard. Accordingly, the amendment was retrospectively applied resulting in simplified reporting of fair value hierarchies at December 31, 2016 and 2015, in Note G.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes (Continued)

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Contribution Pension Plans (Topic 962): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient. This three-part standard simplifies employee benefit plan reporting with respect to fully benefit-responsive investment contracts and plan investment disclosures and provides for a measurement-date practical expedient. Parts I and II are effective for fiscal years beginning after December 15, 2015, and should be applied retrospectively with early application permitted. Part III is effective for fiscal years beginning after December 15, 2015, and should be applied prospectively with early application permitted. Management elected to adopt Part II early. Accordingly, the amendments were retrospectively applied resulting in simplified reporting of investments at December 31, 2016 and 2015, in Note G.

Amendments

Effective January 1, 2016, the Plan was amended and restated to comply with the Pension Protection Act of 2006 (PPA) in order to maintain its tax-qualified status.

NOTE C - CONCENTRATION OF CREDIT RISK

The Plan maintains its cash balances in cash accounts and various money market funds. The Federal Deposit Insurance Corporation (FDIC) insures these accounts up to \$250,000. At various times during the year, some or all of these funds may be uninsured or exceed insurance limits.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE D - LOANS PAYABLE

On April 16, 2007, 1,000,000 shares were pledged on total debt of \$11,650,000, of which \$4,500,000 was a loan between the RCF Employee Stock Ownership Plan Trust and RCF Information Systems, Inc., and \$7,150,000 was six loans between the RCF Information Systems, Inc. Employee Stock Ownership Plan Trust and the sellers of the RCF stock. The shares committed to be released at December 31, 2016 and 2015, are based on the \$4,500,000 loan, which requires an annual payment of \$450,000 plus interest at 4.5% effective April 16, 2008, and matures on April 16, 2017. The seller notes required sixty monthly installments plus interest at 5.5% starting April 16, 2012. On June 21, 2010, the RCF Employee Stock Ownership Trust entered into an amendment and exchange agreement to exchange the original seller notes for new notes revising certain provisions of the agreement. On December 29, 2011, \$2,150,000 of the seller note debt was extinguished, and the remaining \$5,000,000 balance due on the seller notes was refinanced through a loan between the RCF Employee Stock Ownership Plan Trust and RCF Information Systems, Inc. The refinanced loan required an annual payment of \$1,000,000 plus interest at 5.5%, effective December 29, 2012, and matured on December 29, 2016.

NOTE E - EMPLOYER CONTRIBUTIONS

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. For the years ended December 31, 2016 and 2015, the Company contributed \$907,493 and \$1,645,229, respectively.

S Corporation distributions of \$814,171 were allocated for the year ended December 31, 2016, and are classified as other income on the statement of changes in net assets available for benefits. The suspense account (unallocated) S Corporation distributions of \$125,876 were applied toward the principal payments on the loans payable and were allocated based on eligible compensation. The allocated S Corporation distributions of \$688,295 were applied toward the principal payments on the loans payable and were allocated to participant accounts based on beginning share balance less forfeitures and withdrawals. All of the investment income and expenses were allocated to participant accounts based on beginning cash balance less forfeitures and withdrawals.

S Corporation distributions of \$1,476,264 were allocated for the year ended December 31, 2015. Of the suspense account (unallocated) S Corporation distributions of \$417,784, \$359,147 was applied toward the principal payments on the loans payable and were allocated based on eligible compensation and \$58,637 was used to fund the recycling of shares for distributions. The allocated S Corporation distributions of \$1,058,480 were applied toward the principal payments on the loans payable and were allocated to participant accounts based on beginning share balance less forfeitures and withdrawals.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE F - INVESTMENT IN SPONSOR COMPANY STOCK

The Plan's investment in Sponsor Company stock at December 31, 2016 and 2015, is presented in the following table:

	<u>December 31, 2016</u>		<u>December 31, 2015</u>	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
Sponsor Company Common Shares:				
Number of Shares	<u>927,829</u>	<u>32,281</u>	<u>845,393</u>	<u>154,607</u>
Cost	<u>\$10,809,208</u>	<u>\$ 376,074</u>	<u>\$ 9,848,828</u>	<u>\$ 1,801,172</u>
Estimated Fair Value	<u>\$17,591,633</u>	<u>\$ 612,050</u>	<u>\$11,159,192</u>	<u>\$ 2,040,808</u>

NOTE G - FAIR VALUE MEASUREMENTS

FASB ASC 820-10, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

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

Level 2: Inputs to the valuation methodology include:

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

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

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

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE G - FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

Sponsor Company Common Stock: The fair value of the Sponsor Company Common Stock held by the Plan is valued at fair value based upon an independent appraisal. The appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser considered all generally accepted business valuation approaches and methods and relied on the market approach (guideline publicly traded company method and guideline merged and acquired method) and the income approach (discounted cash flow method).

Money market funds: Valued at the net asset value (NAV) of shares held by the Plan at year-end.

U.S. government securities, corporate bonds, foreign bonds, and municipal bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. 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.

The following tables set forth by level within the fair value hierarchy the Plan's assets at fair value as of December 31, 2016 and 2015.

Assets at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Sponsor Company Common Stock	\$ 0	\$ 0	\$18,203,683	\$18,203,683
Money market funds	39,971	0	0	39,971
U.S. government securities	742,971	0	0	742,971
Corporate bonds	96,585	0	0	96,585
Foreign bonds and debentures	44,965	0	0	44,965
Municipal bonds	318,745	0	0	318,745
Total Assets at Fair Value	<u>\$ 1,243,237</u>	<u>\$ 0</u>	<u>\$18,203,683</u>	<u>\$19,446,920</u>

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE G - FAIR VALUE MEASUREMENTS (Continued)

	Assets at Fair Value as of December 31, 2015			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Sponsor Company Common Stock	\$ 0	\$ 0	\$13,200,000	\$13,200,000
Money market funds	1,237,810	0	0	1,237,810
U.S. government securities	<u>144,877</u>	<u>0</u>	<u>0</u>	<u>144,877</u>
Total Assets at Fair Value	<u>\$ 1,382,687</u>	<u>\$ 0</u>	<u>\$13,200,000</u>	<u>\$14,582,687</u>

NOTE H - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the terms of the Plan and the Code. Upon termination of the Plan, the benefits of affected participants and other plan liabilities must be determined with respect to the date of the Plan termination, and the Plan assets must be distributed to satisfy those liabilities in accordance with the terms of the Plan as soon as administratively feasible.

NOTE I - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Sponsor Company common shares, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income, and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions and S Corporation distributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE J - INCOME TAX STATUS

The Plan obtained a favorable tax determination letter on September 13, 2013, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Subsequent to December 31, 2016, the Plan received an updated new favorable tax determination letter on April 10, 2017, in which the Internal Revenue Service stated that the Plan, as amended and restated effective January 1, 2016, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan Administrator and the Plan's tax counsel believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date; therefore, no income taxes have been provided for in the financial statements.

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

NOTE K - BENEFITS PAYABLE

As of December 31, 2016 and 2015, the vested benefit payable to participants terminated prior to year-end was \$4,177,827 and \$2,546,607, respectively. The Plan allows payment of vested benefits to be suspended under certain circumstances as detailed in the Plan Document. The amount of vested benefit payable that is eligible for payment at December 31, 2016 and 2015, is \$420,637 and \$368,996, respectively.

NOTE L - RISKS AND UNCERTAINTIES

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

RCF EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE M - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 13, 2017, which is the date the financial statements were available to be issued.

Subsequent to December 31, 2016, and effective January 1, 2017, the Plan was amended to clarify that the Administrator may accelerate a distribution to a former employee when he or she attains age 65, dies or becomes disabled after their employment has ended. This amendment also modified the definition of "disability" to comply with the Internal Revenue Service requirements.

**SUPPLEMENTARY
INFORMATION**

RCF EMPLOYEE STOCK OWNERSHIP PLAN

Form 5500 Schedule H Part IV, Line 4i

Schedule of Assets (Held at End of Year)

Employer Identification Number 31-1044615/Plan #003

December 31, 2016

Line 4i - Schedule of Assets (Held at End of Year) for Investment Purposes

(a)	(b)	(c)	(d)	(e)
		Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
Money Market Funds:				
	Fidelity Money Market Funds Treasury Portfolio	39,971 units	\$ 39,971	\$ 39,971
U.S. Government Securities:				
	Federal Home Loan Banks	1.33%, 12/28/2018, 100,000 Units	\$ 99,850	\$ 100,161
	Federal Home Loan Banks	1.55%, 9/28/2021, 30,000 Units	29,993	29,314
	Federal Home Loan Banks	1.125%, 5/10/2021, 50,000 Units	49,950	49,234
	Federal Home Loan Banks	1.385%, 12/19/2019, 40,000 Units	40,000	39,633
	Federal Farm Credit Bank	1.35%, 8/2/2019, 50,000 Units	49,970	49,313
	Federal Farm Credit Bank	1.68%, 1/5/2022, 50,000 Units	49,970	48,906
	Federal Farm Credit Bank	1.625%, 10/5/2021, 100,000 Units	100,000	97,848
	Federal Farm Credit Bank	1.62%, 2/10/2022, 50,000 Units	49,935	48,155
	Federal National Mortgage Association	1.375%, 10/7/2021, 40,000 Units	39,933	38,915
	Federal National Mortgage Association	1.00%, 11/19/2021, 75,000 Units	74,531	74,375
	Federal National Mortgage Association	1.45%, 9/15/2020, 75,000 Units	75,000	73,162
	Federal National Mortgage Association	1.35%, 12/30/2019, 95,000 Units	95,000	93,955
			\$ 754,132	\$ 742,971
Municipal Obligations:				
	Corbin, KY Independent School District	4.00%, 2/1/2019, 30,000 Units	\$ 31,001	\$ 30,068
	Deer Park, TX Independent School District	5.25%, 2/15/2021, 30,000 Units	30,824	30,147
	Douglas County, NE School District	4.23%, 12/1/2019, 20,000 Units	21,777	21,258
	Harris County, TX Tax Boards	5.15%, 9/1/2021, 25,000 Units	26,541	25,661
	Irondale, AL Gas, Oil, and Water	6.32%, 10/1/2036, 10,000 Units	10,725	10,332
	Minnesota State Public Facilities	5.00%, 3/1/2017, 15,000 Units	15,654	15,099
	Missouri Joint Municipal Utilities Commissions	5.00%, 1/1/2042, 30,000 Units	31,004	30,000
	NY City Subway	5.00%, 11/1/2018, 14,000 Units	15,411	14,945
	Pendleton County, KY School District	4.125%, 2/1/2027, 15,000 Units	15,491	15,036
	Pennsylvania Economic Development	1.25%, 11/1/2021, 20,000 Units	20,026	19,994
	Pinellas County, FL Health Facilities	5.65%, 5/1/2037, 50,000 Units	52,859	50,751
	Renewable Water Resources	4.32%, 1/1/2017, 25,000 Units	25,792	25,000
	Texas State Mobility	5.00%, 4/1/2033, 20,000 Units	20,978	20,196
	Washington Federal Highway Grant	5.00%, 9/1/2017, 10,000 Units	10,617	10,258
			\$ 328,700	\$ 318,745
Corporate Bonds:				
	AFLAC Inc.	2.65%, 2/15/2017, 15,000 Units	\$ 15,218	\$ 15,022
	Berkshire Hathaway Inc.	0.00%, 8/15/2019, 15,000 Units	15,000	15,042
	Medco Health Solutions, Inc.	7.125%, 3/15/2018, 15,000 Units	16,246	15,884
	Microsoft Corporation	1.10%, 8/8/2019, 15,000 Units	14,985	14,798
	Nucor Corporation	5.85%, 6/1/2018, 20,000 Units	21,399	21,071
	Sysco Corporation	2.60%, 6/12/2022, 15,000 Units	15,310	14,768
			\$ 98,158	\$ 96,585
Foreign Bond Notes & Debentures				
	Actavis Funding Securities	1.85%, 3/1/2017, 15,000 Units	\$ 15,053	\$ 15,015
	National Australia Bank	1.875%, 7/12/2021, 15,000 Units	\$ 14,957	\$ 14,518
	Sumitomo Mitsui Financial Group	0.00%, 02/26/2021, 15,000 Units	\$ 15,072	\$ 15,432
			\$ 45,082	\$ 44,965
Common Stocks:				
	RCF Information Systems, Inc.	960,110 shares	\$ 11,185,280	\$ 18,203,683
TOTAL ASSETS HELD			\$ 12,451,323	\$ 19,446,920

RCF EMPLOYEE STOCK OWNERSHIP PLAN

Form 5500 Schedule H Part IV, Line 4i

Schedule of Assets (Held at End of Year)

Employer Identification Number 31-1044615/Plan #003

December 31, 2016

Line 4i - Schedule of Assets (Held at End of Year) for Investment Purposes

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