# 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

**2017**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**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.)
- [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)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

**1b** Three-digit plan number (PN) ▶ 003

**1c** Effective date of plan 01/01/1984

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

KPH HEALTHCARE SERVICES, INC.

29 E MAIN ST
GOUVERNEUR, NY 13642-1401

**2b** Employer Identification Number (EIN)
15-0358720

**2c** Plan Sponsor's telephone number
315-287-1500

**2d** Business code (see instructions)
446110

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/12/2018 | STEPHEN MCCOY |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 3727 |
| **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)** | 3188 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 3461 |
| **b** Retired or separated participants receiving benefits | **6b** | 15 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 662 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 4138 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 8 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 4146 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 2915 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 78 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

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

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(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**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **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 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE C (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
KPH HEALTHCARE SERVICES, INC.

**D** Employer Identification Number (EIN)
15-0358720

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

BENEFIT PLANS ADMIN SERVICES, INC.

16-1503696

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

AMERICAN FUNDS SERVICE COMPANY

333 SOUTH HOPE STREET
LOS ANGELES, CA 90071

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

DODGE & COX

555 CALIFORNIA STREET
40TH FLOOR
SAN FRANCISCO, CA 94104

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

FEDERATED SERVICES COMPANY

1001 LIBERTY AVENUE
PITTSBURGH, PA 15222-3779

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

LAZARD ASSET MANAGEMENT

30 ROCKEFELLER PLAZA
58TH FLOOR
NEW YORK, NY 10020

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

VANGUARD GROUP

100 VANGUARD BLVD
A22
MALVERN, PA 19355

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

GOLDMAN SACHS ASSET MANAGEMENT

32 OLD SLIP
17TH FLOOR
NEW YORK, NY 10005

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

COHEN & STEERS SECURITIES

757 THIRD AVENUE
20TH FLOOR
NEW YORK, NY 10017

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

IVY FUNDS

6300 LAMAR AVENUE
SHAWNEE MISSION, KS 66202

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

BLACKROCK FUNDS, INC.

100 BELLEVUE PARKWAY
WILMINGTON, DE 19809

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

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

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

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

BENEFIT PLANS ADMIN SERVICES, INC

6 RHOADS DRIVE
SUITE 7
UTICA, NY 13502-6374

16-1503696

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 19 37 60 99 | NONE | 492660 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

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

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

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
KPH HEALTHCARE SERVICES, INC.

**D** Employer Identification Number (EIN)
15-0358720

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: CAPITAL PRESERVATION INSTL

**b** Name of sponsor of entity listed in (a): FEDERATED INVESTORS, INC.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 22-2712853-001 | C | 3929118 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
KPH HEALTHCARE SERVICES, INC.

**D** Employer Identification Number (EIN)
15-0358720

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 8233750 | 10813364 |
| **(2)** Participant contributions | 1b(2) | 235834 | 120427 |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 1936541 | 2146655 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 4469525 | 3929118 |
| **(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) | 91151789 | 122593099 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 276367256 | 316197305 |
| | **(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 | 382394695 | 455799968 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | 22229287 | 20838349 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 22229287 | 20838349 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 360165408 | 434961619 |

## 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) | 10813364 | |
| | **(B)** Participants | 2a(1)(B) | 8861477 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 1230368 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 20905209 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 86562 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 86562 |
| | **(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) | 4621534 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 4621534 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 22094538 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 22094538 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | 55443398 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 55443398 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 55067 |
| (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) | | 13238723 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 94350493 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 18096195 | |
| (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) | | 18096195 |
| f Corrective distributions (see instructions) | 2f | | 2037 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | 963390 |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 197957 | |
| (3) Investment advisory and management fees | 2i(3) | 294703 | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 492660 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 19554282 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 74796211 |
| 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)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

**(1)** Name: DANNIBLE & MCKEE, LLP **(2)** EIN: 33-0996661

**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:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 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 | | | |

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

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

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

**5c** 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.)

# 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

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401K PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
KPH HEALTHCARE SERVICES, INC.

**D** Employer Identification Number (EIN)
15-0358720

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

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

EIN(s): 16-1065416

**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.)

**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

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

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

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

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

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

## 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): _____

---

**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

**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: 0.0% 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):




# EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

# FINANCIAL STATEMENTS

# AND

# SUPPLEMENTAL SCHEDULE

* * *

DECEMBER 31, 2017 AND 2016

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DANNIBLE & McKEE, LLP
Certified Public Accountants and Consultants
Financial Plaza, 221 S. Warren St., Syracuse, New York 13202-1628
(315) 472-9127 Fax (315) 472-0026

# Independent Auditor's Report

October 1, 2018

To the Trustees of the
KPH Healthcare Services, Inc. Employee Stock Ownership and 401(k) Plan

## *Report on the Financial Statements*

We were engaged to audit the accompanying financial statements of the KPH Healthcare Services, Inc. Employee Stock Ownership and 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

## *Management's Responsibility for the Financial Statements*

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.

## *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the ***Basis for Disclaimer of Opinion*** paragraph; however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## *Basis for Disclaimer of Opinion*

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Hand Benefits & Trust Company, the Custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Custodian holds the

Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Custodian as of December 31, 2017 and 2016, and for the years then ended, that the information provided to the plan administrator by the Custodian is complete and accurate.

***Disclaimer of Opinion***

Because of the significance of the matter described in the ***Basis for Disclaimer of Opinion*** paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter - Supplemental Schedule***

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2017, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the ***Basis for Disclaimer of Opinion*** paragraph, we do not express an opinion on the supplemental schedule.

***Report on Form and Content in Compliance with DOL's Rules and Regulations***

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Dannible & McKee, LLP

Dannible & McKee, LLP
Syracuse, New York

KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, 2017 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Assets:- | | | |
| Investments (Notes 1, 2, 3, 4 and 7): | | | |
| Common stock of KPH Healthcare Services, Inc. at fair value | $ 252,793,893 | $ 63,403,412 | $ 316,197,305 |
| Registered investment companies at fair value | 122,593,099 | - | 122,593,099 |
| Capital Preservation Fund at net asset value (Notes 1, 2 and 4) | 3,929,118 | - | 3,929,118 |
| Total investments | 379,316,110 | 63,403,412 | 442,719,522 |
| Receivables (Notes 1 and 2): | | | |
| Notes receivable from participants | 2,146,655 | - | 2,146,655 |
| Contribution receivable from KPH Healthcare Services, Inc. | 8,525,271 | - | 8,525,271 |
| Employees' 401(k) contributions receivable from KPH Healthcare Services, Inc. | 120,427 | - | 120,427 |
| Total receivables | 10,792,353 | - | 10,792,353 |
| Total assets | 390,108,463 | 63,403,412 | 453,511,875 |
| Liabilities: | | | |
| Term loan payable to bank (Notes 1 and 6) | - | 18,550,256 | 18,550,256 |
| Net assets available for benefits | $ 390,108,463 | $ 44,853,156 | $ 434,961,619 |

- CONTINUED -

See accompanying notes to financial statements.

KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(- CONTINUED -)

| | December 31, 2016 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Assets:- | | | |
| Investments (Notes 1, 2, 3, 4 and 7): | | | |
| Common stock of KPH Healthcare Services, Inc. at fair value | $ 219,311,632 | $ 57,055,624 | $ 276,367,256 |
| Registered investment companies at fair value | 91,151,789 | - | 91,151,789 |
| Capital Preservation Fund at net asset value (Notes 1, 2 and 4) | 4,469,525 | - | 4,469,525 |
| Total investments | 314,932,946 | 57,055,624 | 371,988,570 |
| Receivables (Notes 1 and 2): | | | |
| Notes receivable from participants | 1,936,541 | - | 1,936,541 |
| Contribution receivable from KPH Healthcare Services, Inc. | 5,879,423 | - | 5,879,423 |
| Employees' 401(k) contributions receivable from KPH Healthcare Services, Inc. | 235,834 | - | 235,834 |
| Total receivables | 8,051,798 | - | 8,051,798 |
| Total assets | 322,984,744 | 57,055,624 | 380,040,368 |
| Liabilities: | | | |
| Term loan payable to bank (Notes 1 and 6) | - | 19,874,960 | 19,874,960 |
| Net assets available for benefits | $ 322,984,744 | $ 37,180,664 | $ 360,165,408 |

See accompanying notes to financial statements.

KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year ended December 31, 2017 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Additions:- | | | |
| Investment income (Notes 1, 2, 3, 4 and 7): | | | |
| Net appreciation of fair value in KPH Healthcare Services, Inc. common stock | $ 43,311,360 | $ 12,131,468 | $ 55,442,828 |
| Net appreciation of investments in registered investment companies | 17,916,040 | - | 17,916,040 |
| | 61,227,400 | 12,131,468 | 73,358,868 |
| Interest received on notes receivable from participants (Notes 1 and 2) | 86,581 | - | 86,581 |
| Contributions (Note 1): | | | |
| Employer contributions | 8,525,271 | 2,288,094 | 10,813,365 |
| Employee 401(k) contributions | 8,861,330 | - | 8,861,330 |
| Employee rollover contributions | 1,230,368 | - | 1,230,368 |
| Allocation of 17,662 shares of KPH Healthcare Services, Inc. common stock, at market | 5,783,680 | - | 5,783,680 |
| | 24,400,649 | 2,288,094 | 26,688,743 |
| Total additions | 85,714,630 | 14,419,562 | 100,134,192 |
| Deductions (Notes 1, 2 and 6): | | | |
| Administrative expenses | 492,660 | - | 492,660 |
| Interest expense | - | 963,390 | 963,390 |
| Distributions to plan participants | 18,098,251 | - | 18,098,251 |
| Allocation of 17,662 shares of KPH Healthcare Services, Inc. common stock, at market | - | 5,783,680 | 5,783,680 |
| Total deductions | 18,590,911 | 6,747,070 | 25,337,981 |
| Net increase | 67,123,719 | 7,672,492 | 74,796,211 |
| Net assets available for benefits, beginning of period | 322,984,744 | 37,180,664 | 360,165,408 |
| Net assets available for benefits, end of period | $ 390,108,463 | $ 44,853,156 | $ 434,961,619 |

- CONTINUED -

See accompanying notes to financial statements.

KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(- CONTINUED -)

| | Year ended December 31, 2016 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Additions:- | | | |
| Investment income (Notes 1, 2, 3, 4 and 7): | | | |
| Net appreciation of fair value in KPH Healthcare Services, Inc. common stock | 47,326,287 | 13,677,575 | 61,003,862 |
| Net appreciation of investments in registered investment companies | 8,060,677 | - | 8,060,677 |
| | 55,386,964 | 13,677,575 | 69,064,539 |
| Interest received on notes receivable from participants (Notes 1 and 2) | 77,955 | - | 77,955 |
| Contributions (Note 1): | | | |
| Employer contributions | 5,879,422 | 2,354,327 | 8,233,749 |
| Employee 401(k) contributions | 8,182,879 | - | 8,182,879 |
| Employee rollover contributions | 643,104 | - | 643,104 |
| Allocation of 18,173 shares of KPH Healthcare Services, Inc. common stock, at market | 4,907,619 | - | 4,907,619 |
| | 19,613,024 | 2,354,327 | 21,967,351 |
| Total additions | 75,077,943 | 16,031,902 | 91,109,845 |
| Deductions (Notes 1, 2 and 6): | | | |
| Administrative expenses | 429,780 | - | 429,780 |
| Interest expense | - | 1,029,624 | 1,029,624 |
| Distributions to plan participants | 12,908,589 | - | 12,908,589 |
| Allocation of 18,173 shares of KPH Healthcare Services, Inc. common stock, at market | - | 4,907,619 | 4,907,619 |
| Total deductions | 13,338,369 | 5,937,243 | 19,275,612 |
| Net increase | 61,739,574 | 10,094,659 | 71,834,233 |
| Net assets available for benefits, beginning of year | 261,245,170 | 27,086,005 | 288,331,175 |
| Net assets available for benefits, end of year | $ 322,984,744 | $ 37,180,664 | $ 360,165,408 |

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Description of the Plan

KPH Healthcare Services, Inc. (the "Company") Employee Stock Ownership and 401(k) Plan (the "Plan") is an employee stock ownership plan as defined by Section 4975(e)(7) of the Internal Revenue Code. The Plan includes a 401(k) provision allowing employee elective contributions.

The Plan was effective January 1, 1984, and is subject to the provisions outlined in the original plan document and all subsequent amendments to that document. It is also subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The following description provides only general information. Additional information about the Plan is contained in the pamphlet, "KPH Healthcare Services, Inc. Employee Stock Ownership and 401(k) Plan Summary Plan Description". Copies of this pamphlet are available from the trustees of the Plan.

In April 2008, the plan sponsor repurchased essentially all of its outstanding common stock and the Plan became the sole shareholder of KPH Healthcare Services, Inc. stock. In order to finance this purchase, the Plan entered into a $39,741,219 term loan agreement with the Company that was used to purchase 441,569 shares of common stock (see Note 6). As the Plan makes payments of interest and principal, an appropriate percentage of this stock is allocated to eligible employee accounts in accordance with applicable regulations under the Internal Revenue Code.

Term loan payable to the Company is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan present separately, the assets and liabilities and changes therein pertaining to (a) the accounts of employees with vested rights in allocated stock; and (b) stock not yet allocated to the employees.

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 is not permitted to vote any share for which a participant has not given instructions.

Plan year - The Plan maintains a fiscal year ending December 31.

Eligibility - The Plan has separate entry dates for elective employee contributions and employer contributions. Employees are eligible to make elective contributions beginning on their date of hire, provided they are twenty-one years of age. For employer contributions, the Plan covers all employees of the Company who have completed one year of service of at least 1,000 hours and attained age twenty-one. Eligible employees begin participating in employer contributions to the Plan as of the first day of the fourth, seventh or tenth month or the first day of the plan year after meeting the eligibility requirements. Once an employee is eligible for the Plan, they are automatically set up to begin making elective contributions of 4% of their annual compensation to the 401(k) plan increasing by 1% annually up to the max of 10%, unless they specifically elect not to participate in the 401(k) portion of the Plan.

Contributions - The Company is obligated to make contributions to the Plan, which when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. The Plan also requires mandatory Safe Harbor contributions, which can be used to satisfy principal and interest payments. The Company may make profit sharing contributions to the Plan, which are discretionary and are determined annually by the Company. The Plan also includes a 401(k) provision, which allows participants to contribute up to 97% of their annual compensation on a pre-tax or post-tax basis to the Plan and participants are allowed to make rollover contributions. Annual participant contributions are limited to amounts as specified in the Internal Revenue Code. The Company can make discretionary matching contributions on an annual basis. The Company made Safe Harbor and additional discretionary contributions of $10,813,365 and $8,233,749 for the years ended December 31, 2017 and 2016, respectively. There were no discretionary matching contributions for the years ended December 31, 2017 and 2016.

Vesting - Participants are not vested in discretionary employer matching and profit sharing contributions until after completion of three years of service, at which time they become fully vested. Participants are fully vested in Safe Harbor contributions.

Investment options - Upon enrollment in the Plan, a participant may direct employee contributions into shares of registered investment companies. The registered investment companies represent a variety of equity and income funds with both domestic and foreign investments. Participants can change their investment allocation on a daily basis. Company discretionary and matching contributions are invested by the Custodian to the extent possible and deemed advisable by the trustee, in the Company's stock.

Allocation of profit sharing contributions and earnings - Profit sharing contributions are allocated to active participants' accounts in proportion to participants' compensation. Earnings on plan assets are allocated to participants' accounts in proportion to the participant's account value.

Forfeitures - When a participant is terminated, any amounts in the participant's account in which the participant is not vested are forfeited. Forfeitures for any plan year shall be used towards the employer contribution for such year. The Plan used forfeitures of $60,000 and $55,000 for the years ended December 31, 2017 and 2016, respectively. Unused forfeitures were $4,964 and $12,314 as of December 31, 2017 and 2016, respectively.

Payment of benefits - Upon termination of employment, a participant will receive their vested account balance in a lump sum payment. Any shares of Kinney stock held in a participants account are redeemed by the plan sponsor.

Notes receivable from participants - Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The notes and interest thereon shall be repaid over a period not to exceed five years. The notes are collateralized by the balance in the participant's account and bear interest at a rate commensurate with the prime rate plus one percent (5.50% as of December 31, 2017). The notes receivable and interest thereon shall be repaid over a period not to exceed five years, unless the note is used to acquire a personal residence. The plan administrator

will consider a note in default if any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the participant missed the scheduled payment. Any notes that are in default as defined by the plan document are reported as either deemed distributions or benefit payments (see Note 2).

Deemed distributions - Deemed distributions represent the amount of unpaid principal on notes for participants who are actively participating in the Plan and have not continued to make payments on outstanding notes as required under the program. Deemed distributions amounted to $114,973 and $69,658 for the years ended December 31, 2017 and 2016, respectively, and are included in distributions to plan participants.

Diversification - Diversification is offered to participants close to retirement so that they may have the opportunity to receive a distribution or move part of the value of their investment in company stock into investments, which are more diversified. Participants, who are at least age fifty-five with at least ten years of participation in the Plan, may elect to diversify a portion of their account. Upon meeting certain conditions, a participant may diversify up to 50% of the number of shares allocated to his or her account, less any shares previously diversified.

Plan termination - Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, all participants will become fully vested and their remaining account balances will be paid out to them.

Note 2 - Summary of significant accounting policies

Method of accounting - The Plan maintains its accounting records and financial statements on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment valuation and income recognition - The Plan's investments consist of common stock of KPH Healthcare Services, Inc., registered investment companies and common collective trusts. Investments are recorded at fair value (Note 7) except for the Federated Capital Preservation Fund, which is fully benefit responsive and recorded at net asset value (see below). Net appreciation (depreciation) in investments also includes realized gains or losses from the sale of investments. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Common collective trusts invest primarily in equities, bonds and mutual funds, which are mainly publicly traded securities. Common collective trusts are valued at net asset value (NAV), which serves as a practical expedient to estimate its fair value. The practical expedient would not be used if it were determined to be probable that the fund will sell the investment for an amount different from the reported NAV. The NAV of the common collective trust is not publicly quoted in the active markets. The common collective trust can be redeemed at NAV as of the measurement date and can be redeemed on a daily basis. There were no unfunded commitments or redemption restrictions on these investments as of December 31, 2017 and 2016. Investments measured at NAV used as a practical expedient are not required to be classified in the fair value hierarchy.

Financial instruments, economic dependency and concentration of credit risk - A significant portion of the Plan's assets are common stock of KPH Healthcare Services, Inc. or receivables from KPH Healthcare Services, Inc. Accordingly, the Plan is dependent upon the financial condition of KPH Healthcare Services, Inc.

Administrative costs - The Company pays certain legal and accounting fees of the Plan. Those expenses not paid by the Company, including investment and administrative expenses, are paid by the Plan. Administrative expenses of $492,660 and $429,780 for the years ended December 31, 2017 and 2016, respectively, were paid by the Plan to the Plan's Custodian, Hand Benefits & Trust Company, and to the Custodian's affiliate, Benefit Plan Administrators, which are considered to be exempt party-in-interest transactions.

Notes receivable from participant - Participant notes receivable are measured at their unpaid principal balance plus accrued but unpaid interest. Management individually reviews all notes receivable balances that exceed forty-five days from the date of the most recent payment and, based on the assessment of credit worthiness, estimates the portion, if any, of the balance that will not be collected. Currently, there is no valuation allowance recorded; however, management will record an allowance, if and when potentially uncollectable participant notes receivable become material. If a participant defaults on a note receivable and distribution from the participant account has been made during the plan year because the participant has left the Plan, the defaulted note receivable will be reported as benefits paid to participants on the statements of changes in net assets available for benefits and deducted from the receivable balance.

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, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and uncertainties - The Plan invests in a combination of mutual funds and common stock of KPH Healthcare Services, Inc. Investment options are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Subsequent events - Management has evaluated subsequent events through October 1, 2018, the date that the financial statements were available to be issued.

Note 3 - Common stock of KPH Healthcare Services, Inc.

The cost and fair value of KPH Healthcare Services, Inc. common stock held by the Plan is as follows:

| | December 31, 2017 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Number of shares | 771,964 | 193,614 | 965,578 |
| Cost | $ 61,836,550 | $ 17,543,169 | $ 79,379,719 |
| Fair value | $ 252,793,893 | $ 63,403,412 | $ 316,197,305 |

| | December 31, 2016 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Number of shares | 812,115 | 211,276 | 1,023,391 |
| Cost | $ 55,404,823 | $ 19,143,505 | $ 74,548,328 |
| Fair value | $ 219,311,632 | $ 57,055,624 | $ 276,367,256 |

KPH Healthcare Services, Inc. stock is the only non-participant directed investment, as the entire amount of employer contributions are invested in KPH Healthcare Services, Inc. stock.

Note 4 - Information certified by the Custodian of the Plan

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Hand Benefits & Trust Company, the Plan's Custodian, has certified that the investments and investment income included in the accompanying financial statements as of December 31, 2017 and 2016, and for the years then ended, and the supplemental schedule as of December 31, 2017, is complete and accurate. Furthermore, the Plan's independent accountants did not perform auditing procedures with respect to the information except to compare such information to this related information provided by the Custodian and included in the financial statements and supplemental schedule.

Note 5 - Income tax status

The Internal Revenue Service has ruled that the Plan, as amended, qualifies under Section 401(a) of the Internal Revenue Code (IRC) and is therefore not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The management of the Company and the plan trustees are not aware of any matters that would disqualify the Plan. Accordingly, the Plan has been accounted for as a tax-exempt plan.

In accordance with Financial Account Standards Board (FASB) guidance related to income taxes and tax-exempt entities, the Plan has reviewed its operations for uncertain tax positions and believes there are no significant exposures. The Plan will include penalties and interest on income tax liabilities in administrative expenses, if such amounts arise. The Plan did not incur any penalties and interest for the years ended December 31, 2017 and 2016. The Plan is no longer subject to regulatory examinations by tax authorities for the closed years before 2014.

Note 6 - Term loans payable

In April 2008, the Plan entered into a $39,741,219 loan agreement with the Company that was used to purchase 441,569 shares of stock from shareholders. The loan will be repaid by the ESOP in monthly principal instalments of $110,392 plus interest at 5%. Repayment will be based on amounts required to make Safe Harbor contributions to the Plan. Shares will be released annually, based on the total amount of loan repayments. The loan has a thirty-year term and can be prepaid without penalty. The balance of the loan was $18,550,256 and $19,874,960 at December 31, 2017 and 2016, respectively.

The Plan held 193,614 and 211,276 shares of unallocated common stock at December 31, 2017 and 2016, respectively. The Plan released 17,662 and 18,173 shares for allocation based on the principal and interest payments made on the term loan for the years ended December 31, 2017 and 2016, respectively.

Note 7 - Fair value measurement

The FASB has published authoritative guidance on fair value measurements, which 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 the authoritative guidance 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.

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; and
- 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value, which have been determined and certified by the Custodian.

*Registered Investment Companies (i.e. Mutual Funds)* - Valued at the closing price reported on the active market on which the individual securities are traded (Level 1).

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. The Company has determined the fair value of certain assets and liabilities through application of FASB authoritative guidance relating to the accounting for fair value measurements. Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets (registered investment companies). The Plan does not individually hold shares of the mutual funds, but rather its holdings are part of a large investment pool held by Hand Benefits & Trust Company. These mutual funds include equity and income funds with both domestic and foreign investments. These funds earn interest and income based on market performance. These investments are subject to normal market risk. There have been no changes in the methodologies used to determine fair value at December 31, 2017 and 2016.

For the term loan payable, the fair value, which approximates the book value, was based on present value techniques using inputs derived principally or corroborated from market data. Financial assets and liabilities that use Level 3 inputs are primarily valued by valuation experts using externally developed models that consider unobserved market inputs (KPH Healthcare Services, Inc. common stock). Valuation techniques utilized to determine fair value are consistently applied.

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

| | Assets at Fair Value as of December 31, 2017 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Common stock of plan sponsor | $ - | $ - | $ 316,197,305 | $ 316,197,305 |
| Registered investment companies | 122,593,099 | - | - | 122,593,099 |
| | $ 122,593,099 | $ - | $ 316,197,305 | $ 438,790,404 |

| | Assets at Fair Value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Common stock of plan sponsor | $ - | $ - | $ 276,367,256 | $ 276,367,256 |
| Registered investment companies | 91,151,789 | - | - | 91,151,789 |
| | $ 91,151,789 | $ - | $ 276,367,256 | $ 367,519,045 |

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2017 and 2016:

| | December 31, | |
|---|---|---|
| | 2017 | 2016 |
| Balance at the beginning of the year | $ 276,367,256 | $ 225,662,363 |
| Unrealized gains relating to instruments still held at reporting date | 55,442,828 | 61,003,862 |
| Purchases | 5,679,422 | 2,396,685 |
| Sales | (21,292,201) | (12,695,654) |
| Balance at the end of the year | $ 316,197,305 | $ 276,367,256 |

Note 8 - Reconciliation of the financial statements to Form 5500

Contributions receivable and the loan payable on the Form 5500 are higher by $2,288,094 and $2,354,327 as of December 31, 2017 and 2016, respectively. These amounts represent additional contributions towards loan payments that have been recorded as received and the loan paid in the financial statements.

SUPPLEMENTAL SCHEDULE

KPH HEALTHCARE SERVICES, INC. EMPLOYEE STOCK OWNERSHIP AND 401(k) PLAN

EIN #15-0358720

PLAN #003

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(Required Disclosure of Schedule H, Line 4i on Form 5500)

December 31, 2017

| (a) | (b) Identity of issuer, 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 |
|---|---|---|---|---|
| * | **KPH Healthcare Services, Inc.** | **Employer Securities Common Stock - 965,578 shares** | $ 79,379,719 | $ 316,197,305 |
| | Vanguard | Wellington - 323,094 shares | ** | 23,450,139 |
| | American Funds | Amcap Fund - 375,107 shares | ** | 11,928,391 |
| | Vanguard | Mid Cap Index Inst'l - 248,016 shares | ** | 10,496,030 |
| | American Funds | Washington Mutual Investors Fund - 202,923 shares | ** | 9,267,472 |
| | Vanguard | Small Cap Index Inst'l - 129,194 shares | ** | 9,144,371 |
| | American Funds | Euro Pacific Growth Fund - 144,814 shares | ** | 8,129,844 |
| | Vanguard | Target Ret 2020 - 216,596 shares | ** | 6,796,790 |
| | Dodge & Cox | Income Fund - 492,266 shares | ** | 6,773,586 |
| | Vanguard | Target Ret 2050 - 163,466 shares | ** | 5,917,480 |
| | Vanguard | 500 Index Admiral Fund - 22,505 shares | ** | 5,554,611 |
| | Vanguard | Target Ret 2040 - 136,396 shares | ** | 4,878,872 |
| | Vanguard | Target Ret 2030 - 119,000 shares | ** | 4,001,982 |
| | Federated | Capital Preservation Inst'l - 392,912 shares | ** | 3,929,118 |
| | Vanguard | Target Ret 2025 - 168,124 shares | ** | 3,110,298 |
| | Vanguard | Target Ret 2015 - 167,805 shares | ** | 2,572,451 |
| | Vanguard | Target Ret 2045 - 103,215 shares | ** | 2,322,341 |
| | Lazard | Emerging Markets Equity Fund - 88,550 shares | ** | 1,772,766 |
| | Vanguard | Target Ret 2055 - 39,858 shares | ** | 1,563,634 |
| | Vanguard | Target Ret Income - 105,619 shares | ** | 1,431,140 |
| | Vanguard | Target Ret 2035 - 66,760 shares | ** | 1,381,257 |
| | Federated | Government Obligation Fund - 1,362,034 shares | ** | 1,362,034 |
| | Vanguard | Target Ret 2060 - 16,888 shares | ** | 585,001 |
| | Blackrock | Blackrock Infl Protected Bd I - 7,179 shares | ** | 76,889 |
| | Cohen & Steers | Cohen & Steers Inst Realty - 1,739 | ** | 75,331 |
| | Goldman Sachs | Fin SQ Government Inst - 389 shares | ** | 389 |
| * | **Participants** | **Participant loans due at various dates and interest rates ranging from 4.25% to 5.25%** | | 2,146,655 |
| | | | | $ 444,866,177 |

* Party-in-interest as defined by ERISA.

** Cost omitted for participant directed investments.

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

Name of Employer:

► **KPH Healthcare Services, Inc.**

Employer Identification Number:► **15-0358720**

For plan year (beginning/ending):► **1/1/2017 -12/31/2017** Plan number:► **003**

| (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 |
|---|---|---|---|---|
| | AMERICAN FUNDS AMCAP FUND R6 | 375,106.6505 Shr Registered Inv Co | | 11,928,391.49 |
| | AMERICAN FUNDS EUROPACFIC R6 | 144,813.7512 Shr Registered Inv Co | | 8,129,843.98 |
| | AMERICAN FUNDS WASH MTUAL R6 | 202,922.5318 Shr Registered Inv Co | | 9,267,472.01 |
| | BLACKROCK INFL PROTECTED BD I | 7,179.1712 Shr Registered Inv Co | | 76,888.92 |
| | COHEN & STEERS INST REALY SHS | 1,739.3370 Shr Registered Inv Co | | 75,330.70 |
| | DODGE & COX INCOME FUND | 492,266.4154 Shr Registered Inv Co | | 6,773,585.88 |
| | FEDERATED CAP PRESERV INSTL | 392,911.7810 Shr Common Coll Trust | | 3,929,117.81 |
| | LAZARD EMERGING MARKETS EQUITY | 88,549.7670 Shr Registered Inv Co | | 1,772,766.34 |
| | VANGUARD 500 INDEX ADMIRAL SER | 22,054.7018 Shr Registered Inv Co | | 5,554,610.83 |
| | VANGUARD MID-CAP INDEX INST'L | 248,015.8246 Shr Registered Inv Co | | 10,496,029.71 |
| | VANGUARD SMALL-CAP INSTL | 129,194.2835 Shr Registered Inv Co | | 9,144,371.40 |
| | VANGUARD TARGET RETIREMT 2015 | 167,805.0127 Shr Registered Inv Co | | 2,572,450.84 |
| | VANGUARD TARGET RETIREMT 2020 | 216,596.2326 Shr Registered Inv Co | | 6,796,789.77 |
| | VANGUARD TARGET RETIREMT 2025 | 168,124.2133 Shr Registered Inv Co | | 3,110,297.95 |
| | VANGUARD TARGET RETIREMT 2030 | 119,000.3574 Shr Registered Inv Co | | 4,001,982.01 |
| | VANGUARD TARGET RETIREMT 2035 | 66,759.6250 Shr Registered Inv Co | | 1,381,256.65 |
| | VANGUARD TARGET RETIREMT 2040 | 136,395.6467 Shr Registered Inv Co | | 4,878,872.29 |
| | VANGUARD TARGET RETIREMT 2045 | 103,215.1590 Shr Registered Inv Co | | 2,322,341.08 |
| | VANGUARD TARGET RETIREMT 2050 | 163,466.3013 Shr Registered Inv Co | | 5,917,480.10 |
| | VANGUARD TARGET RETIREMT 2055 | 39,858.1276 Shr Registered Inv Co | | 1,563,634.35 |
| | VANGUARD TARGET RETIREMT 2060 | 16,888.0884 Shr Registered Inv Co | | 585,000.61 |
| | VANGUARD TGT RETIREMT INCOME | 105,619.2103 Shr Registered Inv Co | | 1,431,140.30 |
| | VANGUARD WELLINGTON | 323,093.6734 Shr Registered Inv Co | | 23,450,138.81 |
| | FEDERATED GOVT OBLIG INSTL | 1,362,033.73 Shr Registered Inv Co | 1,362,033.73 | 1,362,033.73 |
| | GOLDMAN SACHS FIN DQ GOVT | 388.85 Shr Registered Inv Co | 388.85 | 388.85 |
| | KPH HEALTHCARE SVCS INC | 965576.4043 Shr Common Stock | 70,388,400.08 | 316,197,305.10 |
| | EMPLOYEE LOANS | Various Interest/Maturity Dates | 2,146,655.17 | 2,146,655.17 |
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