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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1988

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)

MAG INSTRUMENT, INC.

2001 SOUTH HELLMAN AVENUE
ONTARIO, CA 91761

2b Employer Identification Number (EIN)
95-2912384

2c Plan Sponsor's telephone number
909-947-1006

2d Business code (see instructions)
339900

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	JAMES ZECCHINI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2018	JAMES ZECCHINI
	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: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	573
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)**	434
a(2) Total number of active participants at the end of the plan year	**6a(2)**	399
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	137
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	536
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	6
f Total. Add lines **6d** and **6e**.	**6f**	542
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	505
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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 2G 2J 3D 2T

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)** [ ] **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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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

AMERICAN CENTURY INVESTMENTS

44-6006315

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

JANUS

43-1804048

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

JOHN HANCOCK

04-3483032

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

INVESCO AIM

76-0528004

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

MFS

04-2747644

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

T. ROWE PRICE

52-2264646

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

PIMCO

95-2632339

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

VOYA

95-4516049

(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

(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)

WELLS FARGO BANK, N.A.

94-1347393

(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 37 50 62 64	SERVICE PROVIDER	68441	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

HBLA

33-0155525

(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?
50	SERVICE PROVIDER	15850	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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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: WELLS FARGO TARGET 20160 CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
47-6668828-001	C	923

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO/MFS VALUE CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
94-9907356-001	C	1573848

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO TARGET TODAY CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
27-6745185-001	C	10912

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO TARGET 2010 CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
27-6745191-001	C	9018

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO TARGET 2020 CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
27-6745217-001	C	58603

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO TARGET 2030 CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
27-6745249-001	C	236781

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO TARGET 2040 CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
27-6745274-001	C	137755

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO TARGET 2050 CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN 27-6745297-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 104401

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO CORE BOND CIT F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN 94-3222878-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 392244

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE RETURN FUND F

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN 46-6933767-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3536256

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO/BLACKROCK S&P 500 INDEX

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN 94-3224211-001	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2310188

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

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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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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	5	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	623398	547725
(9) Value of interest in common/collective trusts	1c(9)	8488572	8370930
(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)	3282251	4077824
(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)		
	(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	12394226	12996479
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	8824	
k	Total liabilities (add all amounts in lines 1g through1j)	1k	8824	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	12385402	12996479

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)	0	
	(B) Participants	2a(1)(B)	581713	
	(C) Others (including rollovers)	2a(1)(C)	35039	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		616752
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)	26600	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		26600
	(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)	29251	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		29251
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		833900
(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)		679372
c Other income	2c		1915
d Total income. Add all **income** amounts in column (b) and enter total	2d		2187790
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1489207	
(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)		1489207
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		3199
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	84307	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		84307
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1576713
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		611077
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: HBLA CERTIFIED PUBLIC ACCOUNTANTS **(2)** EIN: 33-0155525

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		94
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		5000000
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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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): 41-6257133

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: _____% 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):

Mag Instrument, Inc. Profit Sharing Plan

Financial Statements
December 31, 2017 and 2016
and
Independent Auditor's Report

Mag Instrument, Inc. Profit Sharing Plan

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HBLA
CERTIFIED PUBLIC ACCOUNTANTS, INC.

Independent Auditor's Report

To the Plan Administrator and Trustees of
Mag Instrument, Inc. Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Mag Instrument, Inc. Profit Sharing Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, 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

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.

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 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 Wells Fargo Bank, N.A., the Custodian of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, 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.

www.HBLA.com
19600 Fairchild, Suite 320, Irvine, CA 92612 • (949) 833-2815 Office • (949) 833-2876 Fax

Other Matter

The supplemental schedules (a) Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and (b) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) at December 31, 2017, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

HBKA Certified Public Accountants, Inc.

October 9, 2018

Mag Instrument, Inc. Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
Assets		
Cash	$ -	$ 5
Investments at fair value	12,448,754	11,770,823
Notes receivable from participants	547,725	623,398
Total assets	12,996,479	12,394,226
Liabilities		
Excess contributions payable	-	8,824
Net assets available for benefits	$ 12,996,479	$ 12,385,402

See accompanying notes to financial statements and independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2017 and 2016

	2017	2016
Additions to net assets		
Investment income		
Net appreciation in fair value of investments	$ 1,513,272	$ 799,318
Dividends	29,251	49,791
Other income	1,915	6,426
Total investment income	1,544,438	855,535
Interest income on notes receivable from participants	26,600	26,876
Contributions		
Participant	581,713	537,105
Rollover	35,039	121,977
Total contributions	616,752	659,082
Total additions	2,187,790	1,541,493
Deductions from net assets		
Benefits paid to participants	1,492,406	1,585,799
Corrective distributions	-	8,824
Administrative expenses	84,307	64,910
Total deductions	1,576,713	1,659,533
Increase (Decrease) in net assets	611,077	(118,040)
Net assets available for benefits - beginning of year	12,385,402	12,503,442
Net assets available for benefits - end of year	$ 12,996,479	$ 12,385,402

See accompanying notes to financial statements and independent auditor's report.

1. Description of the Plan

The following description of the Mag Instrument, Inc. Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Mag Instrument, Inc. (the Employer and Plan Administrator). The Plan, established on January 1, 1988, was amended to include an Employee 401(k) Savings Plan on July 1, 1991, was restated effective January 1, 2015 to comply with regulatory requirements, and was amended again effective January 1, 2017. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

Employees become eligible to participate in employee deferral contributions after completing three months of service. The entry dates for the Plan are the first day of the Plan year quarter coinciding with or next following the date the employee meets the eligibility requirements.

Contributions

Each year participants may elect to defer up to 100% of eligible compensation, as defined in the Plan agreement, on a pre-tax or after-tax basis (Roth 401(k)), or both. Pursuant to an amendment to the Plan, effective July 1, 2016, the Plan provides for automatic enrollment at a 2% deferral rate, absent an affirmative election to not participate or to participate at a deferral rate greater than 2%. The automatic deferral rate will increase by 1% each subsequent Plan year, up to a maximum of 6% of compensation, unless the employee makes a new salary deferral agreement. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Contributions are subject to the following Internal Revenue Service (IRS) limitations:

Calendar Year	Limit	Catch-up
2017	$ 18,000	$ 6,000
2016	$ 18,000	$ 6,000

Participants may also contribute amounts representing distributions from other qualified retirement plans (rollover).

Each year the Employer may elect to make, solely at its own discretion, a non-elective contribution. To share in non-elective contributions, participants must be employed on the last day of the Plan year and must complete a year of service, as defined in the Plan agreement. The entry dates for the non-elective contribution are the first day of the first and seventh month of the Plan year. The Employer made no non-elective contributions for the years ended December 31, 2017 and 2016.

Participant Accounts

Each participant's account is credited with the participant's and Employer's contributions (as described above), as well as allocations of Plan earnings. Participant accounts are charged with allocations of administrative expenses that are paid by the Plan, and Plan losses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

1. Description of the Plan (Continued)

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Employer's contribution portion of their accounts, plus actual earnings thereon, is based on the participant's years of service, as defined in the Plan agreement. Participants become fully vested upon death, normal retirement age, permanent disability or termination of the Plan.

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Notes Receivable from Participants

Active participants may borrow from their fund accounts a minimum of $1,000, up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. New borrowings can be no more than $50,000 minus the participant's highest outstanding loan amount in the preceding twelve months. A participant may only have three loans outstanding at any time. Loan terms may not exceed five years except in the case of the purchase of a principal residence, in which case loans can be for a term of up to 30 years. The loans are required to bear a reasonable interest rate. In practice, the interest rate is prime (set by Wells Fargo Bank, N.A.) plus 1%. Loan transactions are secured by the participant's vested balance in the participant's account. Nonpayment of loans is considered a default and treated as a distribution. Principal and interest are paid ratably through payroll deductions. For the years ended December 31, 2017 and 2016, the interest rate on participant loans ranged from 4.25% to 5.75%.

Payment of Benefits

On termination of service due to death, disability, normal retirement or other severance of employment, a participant or beneficiary may elect to receive a lump-sum payment equal to the value of the participant's vested interest in his or her account. Participants may also elect to rollover their account to another tax deferred account or remain in the Plan until they are legally required to begin taking distributions. Installment payments are permitted for required minimum distributions. The Plan does not provide an early retirement age option, but permits in-service distributions at age 59 ½. The Plan will make a mandatory complete distribution following severance from employment for participants with vested account balances up to $1,000.

Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions and allocable Employer contributions into any investment options that the Plan offers and may change the investment options on a daily basis.

Forfeitures

Upon termination of employment of a participant, the non-vested portion of Employer contributions is forfeited. Forfeitures are first used to pay administrative expenses and then are reallocated to existing Plan participants as an additional discretionary non-elective contribution. At December 31, 2017 and 2016, forfeited non-vested account balances totaled $1,411 and $336, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance 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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan Management determines the Plan's valuation policies utilizing information provided by the investment advisor, custodian and insurance company. See Note 3 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. Net appreciation includes the Plan's gains and losses on investments purchased and sold, as well as held, during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan agreement.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability and a corrective distribution.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, in excess of forfeitures. Such expenses include, but are not limited to, custodian, legal, and accounting fees. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net appreciation of fair value of investment.

3. Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy 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;
- 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 maximize the use of relevant 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, 2017 and 2016.

Mutual funds: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective investment trust: valued at the NAV of units of a bank collective trust. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Stable value collective trust fund: a stable value fund invested in investment contracts and security-backed contracts that is valued at the NAV of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it was determined to be probable that the fund would sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the investment advisor reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

3. Fair Value Measurement (Continued)

	Investments at Fair Value 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 4,077,824	$ -	$ -	$ 4,077,824
Collective investment trust	-	4,834,674	-	4,834,674
Investments measured at net asset value (a)	-	-	-	3,536,256
Total investments at fair value	$ 4,077,824	$ 4,834,674	$ -	$ 12,448,754

	Investments at Fair Value 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 3,282,251	$ -	$ -	$ 3,282,251
Collective investment trust	-	4,610,310	-	4,610,310
Investments measured at net asset value (a)	-	-	-	3,878,262
Total investments at fair value	$ 3,282,251	$ 4,610,310	$ -	$ 11,770,823

(a) In accordance with *Subtopic 820-10, Fair Value Measurement-Overall*, certain investments that were measured at net asset value per share, using the practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Investments Measured Using the Net Asset Value Per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2017 and 2016. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

December 31, 2017	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Stable value collective trust fund	$ 3,536,256	n/a	Daily	12 months

December 31, 2016	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Stable value collective trust fund	$ 3,878,262	n/a	Daily	12 months

4. Information Certified by the Plan's Custodian

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the Custodian of the Plan, has certified to the completeness and accuracy of the following information, which is included in the financial statements as of and for the years ended December 31, 2017 and 2016, and supplemental schedule, Schedule H, Line 4i, at December 31, 2017:

	2017	2016
Cash	$ -	$ 5
Investments at fair value	12,448,754	11,770,823
Net appreciation in fair value of investments	1,513,272	799,318
Dividends	29,251	49,791
Other income	1,915	6,426

5. Party-in-Interest Transactions

The Custodian manages certain investments held by the Plan. Transactions with such investments qualify as party-in-interest transactions but are exempt from the prohibited transaction rules of ERISA. Additionally, notes receivable from participants are considered exempt party-in-interest transactions.

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits. In addition, the Plan holds substantially all of its assets with one institution. In the event of the institution's failure, the Plan could be subject to losses.

7. Plan Termination

Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested.

8. Tax Status

The Plan is a Volume Submitter Profit Sharing Plan with Cash or Deferred Arrangement offered by Wells Fargo Bank, N.A (Wells Fargo). The IRS has determined and informed Wells Fargo by letter dated March 31, 2014 that the Plan identified above is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the opinion letter, the Plan Administrator and Plan Management believe the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC.

8. Tax Status (Continued)

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 Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of and for the years ended December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2014.

9. Subsequent Events

Plan Management has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued.

Supplemental Schedules

Mag Instrument, Inc. Profit Sharing Plan
Schedule of Delinquent Participant Contributions
Form 5500, Schedule H, Line 4a
Employer ID Number 95-2912384, Plan Number 001
For the Year Ended December 31, 2017

Participant Contributions Transferred Late to Plan				Total that Constitutes Nonexempt Prohibited Transactions			
Amount Withheld	Date Withheld	Date Remitted	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$ 23	5/19/2017	8/8/2018			$ 23		
$ 40	6/30/2017	8/8/2018			$ 40		
$ 31	10/20/2017	8/8/2018			$ 31		

See independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan
Schedule of Assets (Held at End of Year)
Form 5500, Schedule H, Line 4i
Employer ID Number 95-2912384, Plan Number 001
December 31, 2017

(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
	Invesco Energy Fund R5	Mutual Fund	**	$ 71,544
	Janus Henderson Balanced N	Mutual Fund	**	678,542
	John Hancock Disciplined Value Mid Cap R6	Mutual Fund	**	781,831
	MFS Research International R6	Mutual Fund	**	517,148
	PIMCO All Asset Authority Inst	Mutual Fund	**	3,050
	T. Rowe Price Blue Chip Growth I	Mutual Fund	**	877,155
	Voya Small Cap Opportunities R6	Mutual Fund	**	1,055,967
*	Wells Fargo Blackrock S&P 500 Index CIT	Collective Investment Trust	**	2,310,188
*	Wells Fargo Core Bond CIT	Collective Investment Trust	**	392,244
*	Wells Fargo MFS Value CIT	Collective Investment Trust	**	1,573,848
*	Wells Fargo Precious Metals Adm	Mutual Fund	**	92,587
*	Wells Fargo Stable Retun Fund F	Collective Investment Trust	**	3,536,256
*	Wells Fargo Target 2010 CIT	Collective Investment Trust	**	9,018
*	Wells Fargo Target 2020 CIT	Collective Investment Trust	**	58,603
*	Wells Fargo Target 2030 CIT	Collective Investment Trust	**	236,782
*	Wells Fargo Target 2040 CIT	Collective Investment Trust	**	137,755
*	Wells Fargo Target 2050 CIT	Collective Investment Trust	**	104,401
*	Wells Fargo Target 2060 CIT	Collective Investment Trust	**	923
*	Wells Fargo Target Today CIT	Collective Investment Trust	**	10,912
	Total investments		-	12,448,754
*	Participant loans	Interest rate of 4.25% to 5.75%	-	547,725
	Total assets held at year end		$ -	$ 12,996,479

** Party-in-interest*
*** Historical cost information is not required for participant directed investments.*

See independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan

Financial Statements
December 31, 2017 and 2016
and
Independent Auditor's Report

Mag Instrument, Inc. Profit Sharing Plan

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HBLA
CERTIFIED PUBLIC ACCOUNTANTS, INC.

Independent Auditor's Report

To the Plan Administrator and Trustees of
Mag Instrument, Inc. Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Mag Instrument, Inc. Profit Sharing Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, 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

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.

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 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 Wells Fargo Bank, N.A., the Custodian of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, 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.

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19600 Fairchild, Suite 320, Irvine, CA 92612 • (949) 833-2815 Office • (949) 833-2876 Fax

Other Matter

The supplemental schedules (a) Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and (b) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) at December 31, 2017, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

HBKA Certified Public Accountants, Inc.

October 9, 2018

Mag Instrument, Inc. Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
Assets		
Cash	$ -	$ 5
Investments at fair value	12,448,754	11,770,823
Notes receivable from participants	547,725	623,398
Total assets	12,996,479	12,394,226
Liabilities		
Excess contributions payable	-	8,824
Net assets available for benefits	$ 12,996,479	$ 12,385,402

See accompanying notes to financial statements and independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2017 and 2016

	2017	2016
Additions to net assets		
Investment income		
Net appreciation in fair value of investments	$ 1,513,272	$ 799,318
Dividends	29,251	49,791
Other income	1,915	6,426
Total investment income	1,544,438	855,535
Interest income on notes receivable from participants	26,600	26,876
Contributions		
Participant	581,713	537,105
Rollover	35,039	121,977
Total contributions	616,752	659,082
Total additions	2,187,790	1,541,493
Deductions from net assets		
Benefits paid to participants	1,492,406	1,585,799
Corrective distributions	-	8,824
Administrative expenses	84,307	64,910
Total deductions	1,576,713	1,659,533
Increase (Decrease) in net assets	611,077	(118,040)
Net assets available for benefits - beginning of year	12,385,402	12,503,442
Net assets available for benefits - end of year	$ 12,996,479	$ 12,385,402

See accompanying notes to financial statements and independent auditor's report.

1. Description of the Plan

The following description of the Mag Instrument, Inc. Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Mag Instrument, Inc. (the Employer and Plan Administrator). The Plan, established on January 1, 1988, was amended to include an Employee 401(k) Savings Plan on July 1, 1991, was restated effective January 1, 2015 to comply with regulatory requirements, and was amended again effective January 1, 2017. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

Employees become eligible to participate in employee deferral contributions after completing three months of service. The entry dates for the Plan are the first day of the Plan year quarter coinciding with or next following the date the employee meets the eligibility requirements.

Contributions

Each year participants may elect to defer up to 100% of eligible compensation, as defined in the Plan agreement, on a pre-tax or after-tax basis (Roth 401(k)), or both. Pursuant to an amendment to the Plan, effective July 1, 2016, the Plan provides for automatic enrollment at a 2% deferral rate, absent an affirmative election to not participate or to participate at a deferral rate greater than 2%. The automatic deferral rate will increase by 1% each subsequent Plan year, up to a maximum of 6% of compensation, unless the employee makes a new salary deferral agreement. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Contributions are subject to the following Internal Revenue Service (IRS) limitations:

Calendar Year	Limit	Catch-up
2017	$ 18,000	$ 6,000
2016	$ 18,000	$ 6,000

Participants may also contribute amounts representing distributions from other qualified retirement plans (rollover).

Each year the Employer may elect to make, solely at its own discretion, a non-elective contribution. To share in non-elective contributions, participants must be employed on the last day of the Plan year and must complete a year of service, as defined in the Plan agreement. The entry dates for the non-elective contribution are the first day of the first and seventh month of the Plan year. The Employer made no non-elective contributions for the years ended December 31, 2017 and 2016.

Participant Accounts

Each participant's account is credited with the participant's and Employer's contributions (as described above), as well as allocations of Plan earnings. Participant accounts are charged with allocations of administrative expenses that are paid by the Plan, and Plan losses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

1. Description of the Plan (Continued)

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Employer's contribution portion of their accounts, plus actual earnings thereon, is based on the participant's years of service, as defined in the Plan agreement. Participants become fully vested upon death, normal retirement age, permanent disability or termination of the Plan.

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Notes Receivable from Participants

Active participants may borrow from their fund accounts a minimum of $1,000, up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. New borrowings can be no more than $50,000 minus the participant's highest outstanding loan amount in the preceding twelve months. A participant may only have three loans outstanding at any time. Loan terms may not exceed five years except in the case of the purchase of a principal residence, in which case loans can be for a term of up to 30 years. The loans are required to bear a reasonable interest rate. In practice, the interest rate is prime (set by Wells Fargo Bank, N.A.) plus 1%. Loan transactions are secured by the participant's vested balance in the participant's account. Nonpayment of loans is considered a default and treated as a distribution. Principal and interest are paid ratably through payroll deductions. For the years ended December 31, 2017 and 2016, the interest rate on participant loans ranged from 4.25% to 5.75%.

Payment of Benefits

On termination of service due to death, disability, normal retirement or other severance of employment, a participant or beneficiary may elect to receive a lump-sum payment equal to the value of the participant's vested interest in his or her account. Participants may also elect to rollover their account to another tax deferred account or remain in the Plan until they are legally required to begin taking distributions. Installment payments are permitted for required minimum distributions. The Plan does not provide an early retirement age option, but permits in-service distributions at age 59 ½. The Plan will make a mandatory complete distribution following severance from employment for participants with vested account balances up to $1,000.

Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions and allocable Employer contributions into any investment options that the Plan offers and may change the investment options on a daily basis.

Forfeitures

Upon termination of employment of a participant, the non-vested portion of Employer contributions is forfeited. Forfeitures are first used to pay administrative expenses and then are reallocated to existing Plan participants as an additional discretionary non-elective contribution. At December 31, 2017 and 2016, forfeited non-vested account balances totaled $1,411 and $336, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance 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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan Management determines the Plan's valuation policies utilizing information provided by the investment advisor, custodian and insurance company. See Note 3 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. Net appreciation includes the Plan's gains and losses on investments purchased and sold, as well as held, during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan agreement.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability and a corrective distribution.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, in excess of forfeitures. Such expenses include, but are not limited to, custodian, legal, and accounting fees. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net appreciation of fair value of investment.

3. Fair Value Measurement

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

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Level 2 – Inputs to the valuation methodology include:

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

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

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

The asset 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 maximize the use of relevant 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, 2017 and 2016.

Mutual funds: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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Stable value collective trust fund: a stable value fund invested in investment contracts and security-backed contracts that is valued at the NAV of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it was determined to be probable that the fund would sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the investment advisor reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

3. Fair Value Measurement (Continued)

	Investments at Fair Value 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 4,077,824	$ -	$ -	$ 4,077,824
Collective investment trust	-	4,834,674	-	4,834,674
Investments measured at net asset value (a)	-	-	-	3,536,256
Total investments at fair value	$ 4,077,824	$ 4,834,674	$ -	$ 12,448,754

	Investments at Fair Value 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 3,282,251	$ -	$ -	$ 3,282,251
Collective investment trust	-	4,610,310	-	4,610,310
Investments measured at net asset value (a)	-	-	-	3,878,262
Total investments at fair value	$ 3,282,251	$ 4,610,310	$ -	$ 11,770,823

(a) In accordance with *Subtopic 820-10, Fair Value Measurement-Overall*, certain investments that were measured at net asset value per share, using the practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Investments Measured Using the Net Asset Value Per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2017 and 2016. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

December 31, 2017	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Stable value collective trust fund	$ 3,536,256	n/a	Daily	12 months

December 31, 2016	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Stable value collective trust fund	$ 3,878,262	n/a	Daily	12 months

4. Information Certified by the Plan's Custodian

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo Bank, N.A., the Custodian of the Plan, has certified to the completeness and accuracy of the following information, which is included in the financial statements as of and for the years ended December 31, 2017 and 2016, and supplemental schedule, Schedule H, Line 4i, at December 31, 2017:

	2017	2016
Cash	$ -	$ 5
Investments at fair value	12,448,754	11,770,823
Net appreciation in fair value of investments	1,513,272	799,318
Dividends	29,251	49,791
Other income	1,915	6,426

5. Party-in-Interest Transactions

The Custodian manages certain investments held by the Plan. Transactions with such investments qualify as party-in-interest transactions but are exempt from the prohibited transaction rules of ERISA. Additionally, notes receivable from participants are considered exempt party-in-interest transactions.

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits. In addition, the Plan holds substantially all of its assets with one institution. In the event of the institution's failure, the Plan could be subject to losses.

7. Plan Termination

Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested.

8. Tax Status

The Plan is a Volume Submitter Profit Sharing Plan with Cash or Deferred Arrangement offered by Wells Fargo Bank, N.A (Wells Fargo). The IRS has determined and informed Wells Fargo by letter dated March 31, 2014 that the Plan identified above is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the opinion letter, the Plan Administrator and Plan Management believe the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC.

8. Tax Status (Continued)

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 Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of and for the years ended December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2014.

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Plan Management has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued.

Supplemental Schedules

Mag Instrument, Inc. Profit Sharing Plan
Schedule of Delinquent Participant Contributions
Form 5500, Schedule H, Line 4a
Employer ID Number 95-2912384, Plan Number 001
For the Year Ended December 31, 2017

Participant Contributions Transferred Late to Plan				Total that Constitutes Nonexempt Prohibited Transactions			
Amount Withheld	Date Withheld	Date Remitted	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$ 23	5/19/2017	8/8/2018			$ 23		
$ 40	6/30/2017	8/8/2018			$ 40		
$ 31	10/20/2017	8/8/2018			$ 31		

See independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan
Schedule of Assets (Held at End of Year)
Form 5500, Schedule H, Line 4i
Employer ID Number 95-2912384, Plan Number 001
December 31, 2017

(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
	Invesco Energy Fund R5	Mutual Fund	**	$ 71,544
	Janus Henderson Balanced N	Mutual Fund	**	678,542
	John Hancock Disciplined Value Mid Cap R6	Mutual Fund	**	781,831
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*	Wells Fargo Target 2040 CIT	Collective Investment Trust	**	137,755
*	Wells Fargo Target 2050 CIT	Collective Investment Trust	**	104,401
*	Wells Fargo Target 2060 CIT	Collective Investment Trust	**	923
*	Wells Fargo Target Today CIT	Collective Investment Trust	**	10,912
	Total investments		-	12,448,754
*	Participant loans	Interest rate of 4.25% to 5.75%	-	547,725
	Total assets held at year end		$ -	$ 12,996,479

** Party-in-interest*
*** Historical cost information is not required for participant directed investments.*

See independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan

Financial Statements
December 31, 2017 and 2016
and
Independent Auditor's Report

Mag Instrument, Inc. Profit Sharing Plan

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HBLA
CERTIFIED PUBLIC ACCOUNTANTS, INC.

Independent Auditor's Report

To the Plan Administrator and Trustees of
Mag Instrument, Inc. Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Mag Instrument, Inc. Profit Sharing Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, 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

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.

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 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 Wells Fargo Bank, N.A., the Custodian of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, 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.

www.HBLA.com
19600 Fairchild, Suite 320, Irvine, CA 92612 • (949) 833-2815 Office • (949) 833-2876 Fax

Other Matter

The supplemental schedules (a) Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and (b) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) at December 31, 2017, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are 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 schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

HBKA Certified Public Accountants, Inc.

October 9, 2018

Mag Instrument, Inc. Profit Sharing Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
Assets		
Cash	$ -	$ 5
Investments at fair value	12,448,754	11,770,823
Notes receivable from participants	547,725	623,398
Total assets	12,996,479	12,394,226
Liabilities		
Excess contributions payable	-	8,824
Net assets available for benefits	$ 12,996,479	$ 12,385,402

See accompanying notes to financial statements and independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2017 and 2016

	2017	2016
Additions to net assets		
Investment income		
Net appreciation in fair value of investments	$ 1,513,272	$ 799,318
Dividends	29,251	49,791
Other income	1,915	6,426
Total investment income	1,544,438	855,535
Interest income on notes receivable from participants	26,600	26,876
Contributions		
Participant	581,713	537,105
Rollover	35,039	121,977
Total contributions	616,752	659,082
Total additions	2,187,790	1,541,493
Deductions from net assets		
Benefits paid to participants	1,492,406	1,585,799
Corrective distributions	-	8,824
Administrative expenses	84,307	64,910
Total deductions	1,576,713	1,659,533
Increase (Decrease) in net assets	611,077	(118,040)
Net assets available for benefits - beginning of year	12,385,402	12,503,442
Net assets available for benefits - end of year	$ 12,996,479	$ 12,385,402

See accompanying notes to financial statements and independent auditor's report.

1. Description of the Plan

The following description of the Mag Instrument, Inc. Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Mag Instrument, Inc. (the Employer and Plan Administrator). The Plan, established on January 1, 1988, was amended to include an Employee 401(k) Savings Plan on July 1, 1991, was restated effective January 1, 2015 to comply with regulatory requirements, and was amended again effective January 1, 2017. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

Employees become eligible to participate in employee deferral contributions after completing three months of service. The entry dates for the Plan are the first day of the Plan year quarter coinciding with or next following the date the employee meets the eligibility requirements.

Contributions

Each year participants may elect to defer up to 100% of eligible compensation, as defined in the Plan agreement, on a pre-tax or after-tax basis (Roth 401(k)), or both. Pursuant to an amendment to the Plan, effective July 1, 2016, the Plan provides for automatic enrollment at a 2% deferral rate, absent an affirmative election to not participate or to participate at a deferral rate greater than 2%. The automatic deferral rate will increase by 1% each subsequent Plan year, up to a maximum of 6% of compensation, unless the employee makes a new salary deferral agreement. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Contributions are subject to the following Internal Revenue Service (IRS) limitations:

Calendar Year	Limit	Catch-up
2017	$ 18,000	$ 6,000
2016	$ 18,000	$ 6,000

Participants may also contribute amounts representing distributions from other qualified retirement plans (rollover).

Each year the Employer may elect to make, solely at its own discretion, a non-elective contribution. To share in non-elective contributions, participants must be employed on the last day of the Plan year and must complete a year of service, as defined in the Plan agreement. The entry dates for the non-elective contribution are the first day of the first and seventh month of the Plan year. The Employer made no non-elective contributions for the years ended December 31, 2017 and 2016.

Participant Accounts

Each participant's account is credited with the participant's and Employer's contributions (as described above), as well as allocations of Plan earnings. Participant accounts are charged with allocations of administrative expenses that are paid by the Plan, and Plan losses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

1. Description of the Plan (Continued)

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Employer's contribution portion of their accounts, plus actual earnings thereon, is based on the participant's years of service, as defined in the Plan agreement. Participants become fully vested upon death, normal retirement age, permanent disability or termination of the Plan.

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Notes Receivable from Participants

Active participants may borrow from their fund accounts a minimum of $1,000, up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. New borrowings can be no more than $50,000 minus the participant's highest outstanding loan amount in the preceding twelve months. A participant may only have three loans outstanding at any time. Loan terms may not exceed five years except in the case of the purchase of a principal residence, in which case loans can be for a term of up to 30 years. The loans are required to bear a reasonable interest rate. In practice, the interest rate is prime (set by Wells Fargo Bank, N.A.) plus 1%. Loan transactions are secured by the participant's vested balance in the participant's account. Nonpayment of loans is considered a default and treated as a distribution. Principal and interest are paid ratably through payroll deductions. For the years ended December 31, 2017 and 2016, the interest rate on participant loans ranged from 4.25% to 5.75%.

Payment of Benefits

On termination of service due to death, disability, normal retirement or other severance of employment, a participant or beneficiary may elect to receive a lump-sum payment equal to the value of the participant's vested interest in his or her account. Participants may also elect to rollover their account to another tax deferred account or remain in the Plan until they are legally required to begin taking distributions. Installment payments are permitted for required minimum distributions. The Plan does not provide an early retirement age option, but permits in-service distributions at age 59 ½. The Plan will make a mandatory complete distribution following severance from employment for participants with vested account balances up to $1,000.

Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions and allocable Employer contributions into any investment options that the Plan offers and may change the investment options on a daily basis.

Forfeitures

Upon termination of employment of a participant, the non-vested portion of Employer contributions is forfeited. Forfeitures are first used to pay administrative expenses and then are reallocated to existing Plan participants as an additional discretionary non-elective contribution. At December 31, 2017 and 2016, forfeited non-vested account balances totaled $1,411 and $336, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance 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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan Management determines the Plan's valuation policies utilizing information provided by the investment advisor, custodian and insurance company. See Note 3 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. Net appreciation includes the Plan's gains and losses on investments purchased and sold, as well as held, during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan agreement.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability and a corrective distribution.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, in excess of forfeitures. Such expenses include, but are not limited to, custodian, legal, and accounting fees. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net appreciation of fair value of investment.

3. Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy 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;
- 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 maximize the use of relevant 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, 2017 and 2016.

Mutual funds: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective investment trust: valued at the NAV of units of a bank collective trust. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Stable value collective trust fund: a stable value fund invested in investment contracts and security-backed contracts that is valued at the NAV of units of the bank collective trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it was determined to be probable that the fund would sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the investment advisor reserves the right to require 12 months' notification in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

3. Fair Value Measurement (Continued)

	Investments at Fair Value 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 4,077,824	$ -	$ -	$ 4,077,824
Collective investment trust	-	4,834,674	-	4,834,674
Investments measured at net asset value (a)	-	-	-	3,536,256
Total investments at fair value	$ 4,077,824	$ 4,834,674	$ -	$ 12,448,754

	Investments at Fair Value 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$ 3,282,251	$ -	$ -	$ 3,282,251
Collective investment trust	-	4,610,310	-	4,610,310
Investments measured at net asset value (a)	-	-	-	3,878,262
Total investments at fair value	$ 3,282,251	$ 4,610,310	$ -	$ 11,770,823

(a) In accordance with *Subtopic 820-10, Fair Value Measurement-Overall*, certain investments that were measured at net asset value per share, using the practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

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