# 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

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**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
TSP, INC. 401(K) P/S PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 06/01/2003

**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)
TECHNOLOGY SERVICE PROFESSIONALS, INC.

17177 PRESTON ROAD, SUITE 320,
DALLAS, TX 75248

**2b** Employer Identification Number (EIN)
16-1641884

**2c** Plan Sponsor's telephone number
972-484-6881

**2d** Business code (see instructions)
541990

**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. | 09/03/2019 | KRISTI SUDDOCK |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] Same as Plan Sponsor | **3b** | Administrator's EIN |
| | | **3c** | Administrator's telephone number |
| **4** | If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** | EIN |
| | | **4d** | PN |
| **5** | Total number of participants at the beginning of the plan year | **5** | 703 |
| **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)** | 588 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 504 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 165 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 669 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 669 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 626 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 60 |
| **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 2J 2K 2S 2T 3D

**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)** | [X] Insurance | **(1)** | [X] 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)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
TSP, INC. 401(K) P/S PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
TECHNOLOGY SERVICE PROFESSIONALS, INC.

**D** Employer Identification Number (EIN)
16-1641884

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 06-1050034 | 93629 | 074920 | 669 | 01/01/2018 | 12/31/2018 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 0 | 0 |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 203398 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 0 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| b | Premiums paid to carrier | 6b | |
| c | Premiums due but unpaid at the end of the year | 6c | |
| d | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | 6d | |

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 84127 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 57831 | | |
| | (2) Dividends and credits | 7c(2) | | | |
| | (3) Interest credited during the year | 7c(3) | 2318 | | |
| | (4) Transferred from separate account | 7c(4) | | | |
| | (5) Other (specify below) | 7c(5) | 173642 | | |
| | ▶ FORFEITURE CREDITS,TRANSFERS IN LOAN REPAYMENTS MISC. IN | | | | |
| | (6)Total additions | | | 7c(6) | 233791 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**). | | | 7d | 317918 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 41629 | | |
| | (2) Administration charge made by carrier | 7e(2) | 11 | | |
| | (3) Transferred to separate account | 7e(3) | | | |
| | (4) Other (specify below) | 7e(4) | 72880 | | |
| | ▶ FORF. DR.,TRANSFERS OUT LOAN INITIATIONS MISC. OUT | | | | |
| | (5) Total deductions | | | 7e(5) | 114520 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 203398 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

**a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
**e** ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
**i** ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
**m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs. | | | **10b** | |

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2018**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
TSP, INC. 401(K) P/S PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
TECHNOLOGY SERVICE PROFESSIONALS, INC.

**D** Employer Identification Number (EIN)
16-1641884

## 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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

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

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**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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

| (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? |
|---|---|---|---|---|---|---|
| 13 15 37 50 64 | NONE | 97893 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

NORTHWESTERN MUTUAL LIFE INSURANCE

39-0509570

| (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? |
|---|---|---|---|---|---|---|
| 27 | NONE | 25000 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

MONTGOMERY COSCIA GREILICH LLP

75-2919818

| (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? |
|---|---|---|---|---|---|---|
| 10 | NONE | 14371 | Yes [ ] No [X] | 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: MONTGOMERY COSCIA GREILICH LLP | **b** EIN: 75-2919818 | |
| **c** Position: AUDITOR | | |
| **d** Address: 2500 DALLAS PARKWAY, SUITE 300<br>PLANO, TX 75093 | **e** Telephone: 972-748-0300 | |

Explanation: MONTGOMERY COSCIA GREILICH LLP MERGED WITH BAKER TILLY VIRCHOW KRAUSE,

| | | |
|---|---|---|
| **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 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

**2018**

**This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
TSP, INC. 401(K) P/S PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
TECHNOLOGY SERVICE PROFESSIONALS, INC.

**D** Employer Identification Number (EIN)
16-1641884

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(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) | 524650 | 720618 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 16274653 | 16491792 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 84127 | 203398 |
| **(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 | 16883430 | 17415808 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 16883430 | 17415808 |

## 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) | 664324 | |
| | **(B)** Participants | 2a(1)(B) | 2629520 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 592427 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 3886271 |
| **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) | 29444 | |
| | **(F)** Other | 2b(1)(F) | 2318 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 31762 |
| | **(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) | 405819 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 405819 |
| | **(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) | | |
| (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) | | -1320904 |
| c Other income | 2c | | -127878 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2875070 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 2152993 | |
| (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) | | 2152993 |
| f Corrective distributions (see instructions) | 2f | | 4495 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| 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) | 185204 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 185204 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2342692 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 532378 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

**(1)** Name: BAKER TILLY VIRCHOW KRAUSE, LLP **(2)** EIN: 39-0859910

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

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

## Part IV Compliance Questions

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

During the plan year:

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

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| 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

**2018**

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

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
TSP, INC. 401(K) P/S PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
TECHNOLOGY SERVICE PROFESSIONALS, INC.

**D** Employer Identification Number (EIN)
16-1641884

## 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): 22-1211670

**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): _____

**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):

# TSP, INC. 401(K) P/S PLAN

FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULE

*WITH INDEPENDENT AUDITORS' REPORT THEREON*

DECEMBER 31, 2018 AND 2017

bakertilly

# TSP, INC. 401(K) P/S PLAN

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Note: Supplemental schedules, other than those listed above, are omitted because of the absence of conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of
TSP, Inc. 401(k) P/S Plan:

## REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of TSP, Inc. 401(k) P/S Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITORS' RESPONSIBILITY

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

## BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, (collectively the "Trustees" of the Plan), except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustees hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained a certification from the Trustees as of December 31, 2018 and 2017, and for the year ended December 31, 2018, that the information provided to the Plan Administrator by the Trustees is complete and accurate.

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**DISCLAIMER OF OPINION**

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

**OTHER MATTERS – SUPPLEMENTAL SCHEDULE**

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2018 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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

Sincerely,

Baker Tilly Virchow Krause, LLP

**BAKER TILLY VIRCHOW KRAUSE, LLP**
Plano, Texas
August 28, 2019

# TSP, INC. 401(K) P/S PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value: | | |
| Mutual funds of registered investment companies | $ 16,491,792 | $ 16,274,653 |
| Total investments, at fair value | 16,491,792 | 16,274,653 |
| Guaranteed investment contract, at contract value | 203,398 | 84,127 |
| Total investments | 16,695,190 | 16,358,780 |
| Notes receivable from participants | 720,618 | 524,650 |
| Total receivables | 720,618 | 524,650 |
| Total assets | 17,415,808 | 16,883,430 |
| **Liabilities** | | |
| Excess contributions payable | 10,926 | 4,348 |
| Total liabilities | 10,926 | 4,348 |
| Net assets available for benefits | $ 17,404,882 | $ 16,879,082 |

The accompanying notes are an integral part of these financial statements.

# TSP, INC. 401(K) P/S PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|---|---|
| **Additions to net assets available for benefits attributed to:** | |
| Investment income (loss): | |
| Net depreciation of fair value of investments | $ (1,320,904) |
| Interest and dividends | 408,137 |
| Other income | 49,351 |
| Net investment loss | (863,416) |
| Interest on notes receivable from participants | 29,444 |
| Contributions: | |
| Participants | 2,621,730 |
| Employer, net | 487,096 |
| Rollover | 592,427 |
| Total contributions | 3,701,253 |
| Total additions | 2,867,281 |
| **Deductions from net assets available for benefits attributed to:** | |
| Benefits paid directly to participants | 2,157,488 |
| Administrative expenses, net | 183,993 |
| Total deductions | 2,341,481 |
| Net increase | 525,800 |
| Net assets available for benefits: | |
| Beginning of year | 16,879,082 |
| End of year | $ 17,404,882 |

The accompanying notes are an integral part of these financial statements.

## 1 – DESCRIPTION OF PLAN

### GENERAL

The TSP, Inc. 401(k) P/S Plan (the "Plan") is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was established on June 1, 2003, and is sponsored by Technology Service Professionals, Inc. (the "Company" or "Plan Administrator"). Prudential Bank and Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company ("Prudential" or collectively the "Trustees") serve as the Trustees and recordkeeper of the Plan. The following description provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### ELIGIBILITY AND PARTICIPANT ACCOUNTS

All employees are eligible for participation on the first day of the month after attaining the age of twenty-one, with the exception of members of collective bargaining units, non-resident employees, and employees residing in Puerto Rico, as defined by the Plan document.

Subject to certain limitations on annual additions, each participant's account is credited with employee elective deferrals, Company discretionary matching contributions, discretionary profit sharing contributions, and an allocation of Plan earnings or losses and charged with certain administrative expenses. Participants may modify investment elections, transfer existing account balances, and obtain information regarding Plan investments on a daily basis.

### CONTRIBUTIONS

The Plan is funded through participant elective deferrals and Company matching contributions. Participants may elect to contribute any portion of his or her pretax or after-tax "Roth" compensation, as defined by the Plan, subject to certain maximum limitations imposed by the Internal Revenue Code ("IRC") ($18,500 for 2018). Participants who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the Plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($6,000 for 2018). Rollover contributions representing distributions from other qualified defined benefit or defined contribution plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

Unless otherwise elected, eligible employees will be automatically enrolled in the Plan at a contribution rate of 4% of pretax compensation. The Plan also has an automatic pretax elective deferral increase feature. Unless otherwise elected, pre-tax contribution elections are increased on an annual basis on the first day of the Plan year by 1% of compensation per year up to a maximum of 99% of eligible compensation.

The Company makes discretionary matching contributions of 50% of employees' salary deferral amounts on the first 4% of employees' eligible compensation, and the Company may make additional Company discretionary profit sharing contributions as defined and approved. No discretionary profit sharing contributions were made for the year ended December 31, 2018.

## 1 – DESCRIPTION OF PLAN, CONTINUED

### VESTING

Participants are immediately vested in elective deferrals, rollover contributions, and qualified non-elective employer matching contributions, plus actual earnings thereon. Vesting in the Company's discretionary matching contributions, plus actual earnings, thereon, is based on continuous years of service as follows:

| Years of Service | Vesting Percent |
|---|---|
| Less than 2 Years | 0% |
| 2 Years | 20% |
| 3 Years | 40% |
| 4 Years | 60% |
| 5 Years | 80% |
| 6 Years | 100% |

### FORFEITURES

Forfeitures of terminated participants' non-vested accounts are used to pay administrative expenses or reduce Company matching contributions. These amounts are reported as a component of net assets available for benefits. At December 31, 2018 and 2017, there were forfeitures of $31,348 and $7,459 available, respectively. During 2018, forfeitures in the amounts of $174,915 were used to reduce Company matching contributions.

### REVENUE SHARING ACCOUNT

Revenue sharing accounts are used to pay administrative expenses or are reallocated to participant accounts. At December 31, 2018 and 2017 there were funds of $34,616 and $23,998 available, respectively. During December 31, 2018, revenue sharing totaling $49,351 was contributed to the Plan, and is recorded as other income on the Statement of Changes in Net Assets Available for Benefits. Funds of $39,371 were used to pay administrative expenses for the year ended December 31, 2018.

### BENEFITS PAID TO PARTICIPANTS

Participants may withdraw amounts from their account during the year for reasons of disability, retirement, death, or terminations, and are entitled to their vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions. For vested account balances greater than $5,000, participants may elect a distribution in the form of a single lump sum payment. Upon termination, for vested account balances greater than $1,000 but less than $5,000, participants may elect to receive or roll over the distribution upon termination. Otherwise, the distribution will be directly rolled over to an IRA.

## 1 – DESCRIPTION OF PLAN, CONTINUED

### INVESTMENT OPTIONS

The Plan provides for participants to direct both employee and employer contributions into a variety of mutual funds of registered investment companies and a guaranteed investment contract in accordance with participant investment elections and provisions of the Trust agreement. Participants should refer to the Plan website for additional fund information.

### NOTES RECEIVABLE FROM PARTICIPANTS

Borrowings are available for all participants. Notes receivable from participants are limited to a minimum of $1,000 up to a maximum of the lesser of $50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service ("IRS"). A participant may only have two loans outstanding at any given time. The notes are secured by the balance in the participant's account and bear interest at a rate of prime rate plus 1%. Any note must be repaid within five years unless for the purchase of a primary residence which is fifteen years. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. Notes receivable from participants, as of December 31, 2018, have interest rates ranging from the rate 4.25% to 6.25% and maturity dates ranging from February 2019 through October 2033. Notes receivable from participants, as of December 31, 2017, have interest ranging from the rate 4.25% to 5.25% and maturity dates from January 2018 through November 2032.

### ADMINISTRATIVE EXPENSES

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

### PLAN TERMINATION

Although the Company expects to continue the Plan, the Company may terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, all amounts credited to participants' account shall become 100% vested, subject to payment of liquidation costs and expenses.

## 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

## 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### BASIS OF ACCOUNTING

The financial statements have been prepared under the accrual method in accordance with U.S. GAAP.

### INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value except for fully benefit-responsive guaranteed investment contracts, which are valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (See "Note 3 - Fair Value Measurements"). Contract value is the relevant measure attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (See "Note 5 - Guaranteed Investment Contract"). 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. The income earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) includes realized gains and losses on the investments bought and sold, as well as held during the year.

### NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balances, plus any accrued, unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon terms of the Plan document or loan policy of the Plan.

### BENEFITS

Benefits are recorded when paid.

### RECENT ACCOUNTING PRONOUNCEMENTS

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, "*Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*". ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, Fair Value Measurement. The amendments are based on the concepts in the FASB Concepts Statement, Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements, which the Board finalized on August 28, 2018. ASU No. 2018-13 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently assessing the impact that ASU No. 2018-13 will have on the Plan's financial statements.

## 3 – FAIR VALUE MEASUREMENTS

### INVESTMENT VALUATION AND LEVELING

FASB Accounting Standards Codification ("ASC") Topic 820 for Fair Value Measurements and Disclosures provides the framework for measuring and reporting the fair value of investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Significant observable inputs other than quoted prices in active markets for which inputs to the valuation methodology include:

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

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

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

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

In establishing a fair value hierarchy for the Plan's investments in accordance with ASC 820, the following methodologies were used for each type of investment:

*Mutual funds of registered investment companies*: Valued at the net asset value ("NAV") or quoted market prices of shares held by the Plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Plan believes its valuation methods are appropriate and consistent with other market participants; even so, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## 3 – FAIR VALUE MEASUREMENTS, CONTINUED

### INVESTMENT VALUATION AND LEVELING, CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds of registered investment companies | $ 16,491,792 | $ - | $ - | $ 16,491,792 |
| Total investments, at fair value | $ 16,491,792 | $ - | $ - | $ 16,491,792 |

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds of registered investment companies | $ 16,274,653 | $ - | $ - | $ 16,274,653 |
| Total investments, at fair value | $ 16,274,653 | $ - | $ - | $ 16,274,653 |

## 4 – FINANCIAL INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES (UNAUDITED)

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the independent auditors not to perform any auditing procedures with respect to the following information certified as complete and accurate by the Trustees and party-in-interest to the Plan, as of December 31, 2018 and 2017, and for the year ended December 31, 2018, except for comparing such information certified by the Trustees to the information included in the Plan's financial statements and supplemental schedule. This information consists of the following:

| | 2018 | 2017 |
|---|---|---|
| Investments, at fair value: | | |
| Mutual funds of registered investment companies | $ 16,491,792 | $ 16,274,653 |
| Total investments, at fair value | 16,491,792 | 16,274,653 |
| Guaranteed investment contract, at contract value | 203,398 | 84,127 |
| Total investments | $ 16,695,190 | $ 16,358,780 |
| Notes receivable from participants | $ 720,618 | $ 524,650 |
| Interest and dividends | $ 408,137 | |
| Other income | $ 49,351 | |
| Net depreciation of fair value of investments | $ (1,320,904) | |
| Interest on notes receivable from participants | $ 29,444 | |

## NOTE 5 – GUARANTEED INVESTMENT CONTRACT

The Plan holds funds in a fully benefit-responsive guaranteed investment contract, the Prudential Guaranteed Income Fund. Prudential maintains the contributions in its general account. Prudential's general account is credited with contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the Issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. The Plan or Prudential can terminate the contract by providing written notice to the other party 30 days prior to the termination date. If the contract were to terminate by the Plan or Prudential, interest would not be less than the minimum interest rate established in the investment contract. There may be a market value adjustment upon the Plan's election to terminate the contract with a lump sum distribution, which may result in a distribution that is less than or in excess of contract value. Certain unobservable inputs are assessed through review of contract terms (ex: duration or payout date) while others are substantiated utilizing available market date (ex: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. These events may be different under each contract. Examples of such events include the following:

- The Plan's failure to qualify under Section 401(a) of the Internal Revenue Code or the failure of the trust to be tax-exempt under Section 501(a) of the Internal Revenue Code
- Premature termination of the contract
- Plan terminations or mergers
- Changes to the Plan's prohibition or competing investment options
- Bankruptcy of the plan sponsor or other plan sponsor event (for example, divestitures or spinoffs of a subsidiary) that significantly affect the Plan's normal operations.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers or that also limited the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuers to terminate the contracts with the Plan and settle at an amount different from contract value. Those events may be different under each contract. Examples of such events include the following:

- An uncured violation of the Plan's investment guidelines
- A breach of material obligation under the contact
- A material misrepresentation
- A material amendment to the agreements without the consent of the issuer

## 6 – PARTY-IN-INTEREST TRANSACTIONS

The Plan investments include units of a guaranteed investment contract managed by Prudential Retirement Insurance and Annuity Company. Prudential acted in capacity as the Trustee as of December 31, 2018 and 2017; therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for various administrative expenses, including investment management services, amounted to $183,993 for the year ended December 31, 2018.

## 7 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options, including mutual funds of registered investment companies and a guaranteed investment contract. 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 reasonably possible that changes in the values of the investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements or participant accounts.

## 8 – TAX STATUS OF THE PLAN

The Plan was based on a prototype plan developed by The Prudential Insurance Company of America, which received a favorable opinion letter dated April 29, 2014. The Plan Administrator believes the Plan, as adopted and amended, is operating within the guidelines of the IRC and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the DOL or IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examination for years prior to 2015.

## 9 – EXCESS CONTRIBUTIONS PAYABLE

The Plan failed the discrimination testing for the years ended December 31, 2018 and 2017. As a result, excess contributions payable amounting to $10,926 and $4,348, respectively are recorded as liabilities in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2018 and 2017, and as a reduction to contributions in the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2018.

## 10 – RECONCILIATION TO THE FORM 5500, SCHEDULE H

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 17,404,882 | $ 16,879,082 |
| Add: Excess contributions payable | 10,926 | 4,348 |
| Net assets available for benefits per the Form 5500 | $ 17,415,808 | $ 16,883,430 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2018:

| | |
|---|---|
| Net increase in net assets per the financial statements | $ 525,800 |
| Add: current year excess contributions payable | 10,926 |
| Less: prior year excess contributions payable | (4,348) |
| Net increase in net assets per the Form 5500 | $ 532,378 |

## 11 – SUBSEQUENT EVENTS

In accordance with FASB ASC 855, "*Subsequent Events*", the Plan has evaluated events or transactions occurring after December 31, 2018, the Statements of Net Assets Available for Benefits date, through August 28, 2019, the date the financial statements were ready to be issued, and determined there were no events or transactions, other than those noted below, that would impact the financial statements as of and for the year ended December 31, 2018.

Effective January 1, 2019, the Plan was amended to reduce the number of notes receivable that participants can have outstanding to one note.

Effective April 14, 2019, the Company discontinued a certain industrial automation operation and sold the contracts to Voith Holdings. As a result of the discontinued operations and significant reduction in the Company's workforce, the Plan Administrator determined that a partial plan termination of the Plan occurred during 2019. All participants that were terminated due to this event became fully vested in their accounts.

# SUPPLEMENTAL SCHEDULE

# TSP, INC. 401(K) P/S PLAN

SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER ID NUMBER: 16-1641884, PLAN NUMBER 001
DECEMBER 31, 2018

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|---|---|---|---|
| | **Mutual funds of registered investment companies, at fair value:** | | |
| | Legg Mason | Western Asset Core Plus Bond Fund IS | $ 3,483,177 |
| | Massachusetts Financial Services Company | MFS Lifetime 2050 Fund R4 | 2,511,599 |
| | Massachusetts Financial Services Company | MFS Lifetime 2025 Fund R4 | 1,910,789 |
| | Massachusetts Financial Services Company | MFS Lifetime 2020 Fund R4 | 1,671,843 |
| | Vanguard | Vanguard Total International Stock Index Fund | 1,335,994 |
| | Massachusetts Financial Services Company | MFS Lifetime 2035 Fund R4 | 1,138,057 |
| | Massachusetts Financial Services Company | MFS Lifetime Income Fund R4 | 895,715 |
| | Vanguard | Vanguard Long-Term Bond Index Fund | 777,590 |
| | Vanguard | Vanguard 500 Index Fund Admiral | 414,022 |
| | Massachusetts Financial Services Company | MFS Lifetime 2040 Fund R4 | 458,700 |
| | Northern Funds | Northern Global Sustainability Index Fund | 445,408 |
| | Massachusetts Financial Services Company | MFS Lifetime 2045 Fund R4 | 376,265 |
| | Columbia Threadneedle Investments | Columbia Global Technology Growth Fund | 274,073 |
| | Deutsche Asset Management | Deutsche Science and Technology Fund A | 144,642 |
| | American Funds | American Funds Capital World Gr & Inc. Fund R6 | 129,066 |
| | Massachusetts Financial Services Company | MFS Value Fund R6 | 124,560 |
| | Franklin Templeton Investments | Franklin Small Cap Growth Fund R6 | 111,438 |
| | AllianceBernstein | AB Global Bond Fund Z | 81,195 |
| | OppenheimerFunds | Oppenheimer Discovery Mid Cap Growth Fund I | 67,862 |
| | Massachusetts Financial Services Company | MFS Lifetime 2055 Fund R4 | 42,822 |
| | Franklin Templeton Investments | Franklin U.S. Government Securities Fund R6 | 36,882 |
| | BlackRock | BlackRock Basic Value Fund K | 45,317 |
| | AllianceBernstein | AB Large Cap Growth Fund Z | 14,776 |
| | **Total mutual funds of registered investment companies** | | **16,491,792** |
| | **Guaranteed investment contract, at contract value:** | | |
| * | Prudential Retirement Insurance and Annuity Company | Guaranteed Income Fund | **203,398** |
| | **Notes receivable from participants:** | | |
| * | Plan participants | Notes receivable from participants with interest rates from 4.25% to 6.25% and maturity dates from February 2019 to October 2033. | **720,618** |
| | **Total** | | **$ 17,415,808** |

* Indicates party-in-interest to the plan.
Column (d) cost information omitted for participant-directed investments.

# TSP, INC. 401(K) P/S PLAN

FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULE

*WITH INDEPENDENT AUDITORS' REPORT THEREON*

DECEMBER 31, 2018 AND 2017

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# TSP, INC. 401(K) P/S PLAN

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**SUPPLEMENTAL SCHEDULE:**

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Note: Supplemental schedules, other than those listed above, are omitted because of the absence of conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of
TSP, Inc. 401(k) P/S Plan:

## REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of TSP, Inc. 401(k) P/S Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITORS' RESPONSIBILITY

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

## BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, (collectively the "Trustees" of the Plan), except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustees hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained a certification from the Trustees as of December 31, 2018 and 2017, and for the year ended December 31, 2018, that the information provided to the Plan Administrator by the Trustees is complete and accurate.

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**DISCLAIMER OF OPINION**

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

**OTHER MATTERS – SUPPLEMENTAL SCHEDULE**

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2018 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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

Sincerely,

Baker Tilly Virchow Krause, LLP

**BAKER TILLY VIRCHOW KRAUSE, LLP**
Plano, Texas
August 28, 2019

# TSP, INC. 401(K) P/S PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value: | | |
| Mutual funds of registered investment companies | $ 16,491,792 | $ 16,274,653 |
| Total investments, at fair value | 16,491,792 | 16,274,653 |
| Guaranteed investment contract, at contract value | 203,398 | 84,127 |
| Total investments | 16,695,190 | 16,358,780 |
| Notes receivable from participants | 720,618 | 524,650 |
| Total receivables | 720,618 | 524,650 |
| Total assets | 17,415,808 | 16,883,430 |
| **Liabilities** | | |
| Excess contributions payable | 10,926 | 4,348 |
| Total liabilities | 10,926 | 4,348 |
| Net assets available for benefits | $ 17,404,882 | $ 16,879,082 |

The accompanying notes are an integral part of these financial statements.

# TSP, INC. 401(K) P/S PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|---|---|
| **Additions to net assets available for benefits attributed to:** | |
| Investment income (loss): | |
| Net depreciation of fair value of investments | $ (1,320,904) |
| Interest and dividends | 408,137 |
| Other income | 49,351 |
| Net investment loss | (863,416) |
| Interest on notes receivable from participants | 29,444 |
| Contributions: | |
| Participants | 2,621,730 |
| Employer, net | 487,096 |
| Rollover | 592,427 |
| Total contributions | 3,701,253 |
| Total additions | 2,867,281 |
| **Deductions from net assets available for benefits attributed to:** | |
| Benefits paid directly to participants | 2,157,488 |
| Administrative expenses, net | 183,993 |
| Total deductions | 2,341,481 |
| Net increase | 525,800 |
| Net assets available for benefits: | |
| Beginning of year | 16,879,082 |
| End of year | $ 17,404,882 |

The accompanying notes are an integral part of these financial statements.

## 1 – DESCRIPTION OF PLAN

### GENERAL

The TSP, Inc. 401(k) P/S Plan (the "Plan") is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was established on June 1, 2003, and is sponsored by Technology Service Professionals, Inc. (the "Company" or "Plan Administrator"). Prudential Bank and Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company ("Prudential" or collectively the "Trustees") serve as the Trustees and recordkeeper of the Plan. The following description provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### ELIGIBILITY AND PARTICIPANT ACCOUNTS

All employees are eligible for participation on the first day of the month after attaining the age of twenty-one, with the exception of members of collective bargaining units, non-resident employees, and employees residing in Puerto Rico, as defined by the Plan document.

Subject to certain limitations on annual additions, each participant's account is credited with employee elective deferrals, Company discretionary matching contributions, discretionary profit sharing contributions, and an allocation of Plan earnings or losses and charged with certain administrative expenses. Participants may modify investment elections, transfer existing account balances, and obtain information regarding Plan investments on a daily basis.

### CONTRIBUTIONS

The Plan is funded through participant elective deferrals and Company matching contributions. Participants may elect to contribute any portion of his or her pretax or after-tax "Roth" compensation, as defined by the Plan, subject to certain maximum limitations imposed by the Internal Revenue Code ("IRC") ($18,500 for 2018). Participants who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the Plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($6,000 for 2018). Rollover contributions representing distributions from other qualified defined benefit or defined contribution plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

Unless otherwise elected, eligible employees will be automatically enrolled in the Plan at a contribution rate of 4% of pretax compensation. The Plan also has an automatic pretax elective deferral increase feature. Unless otherwise elected, pre-tax contribution elections are increased on an annual basis on the first day of the Plan year by 1% of compensation per year up to a maximum of 99% of eligible compensation.

The Company makes discretionary matching contributions of 50% of employees' salary deferral amounts on the first 4% of employees' eligible compensation, and the Company may make additional Company discretionary profit sharing contributions as defined and approved. No discretionary profit sharing contributions were made for the year ended December 31, 2018.

## 1 – DESCRIPTION OF PLAN, CONTINUED

### VESTING

Participants are immediately vested in elective deferrals, rollover contributions, and qualified non-elective employer matching contributions, plus actual earnings thereon. Vesting in the Company's discretionary matching contributions, plus actual earnings, thereon, is based on continuous years of service as follows:

| Years of Service | Vesting Percent |
|---|---|
| Less than 2 Years | 0% |
| 2 Years | 20% |
| 3 Years | 40% |
| 4 Years | 60% |
| 5 Years | 80% |
| 6 Years | 100% |

### FORFEITURES

Forfeitures of terminated participants' non-vested accounts are used to pay administrative expenses or reduce Company matching contributions. These amounts are reported as a component of net assets available for benefits. At December 31, 2018 and 2017, there were forfeitures of $31,348 and $7,459 available, respectively. During 2018, forfeitures in the amounts of $174,915 were used to reduce Company matching contributions.

### REVENUE SHARING ACCOUNT

Revenue sharing accounts are used to pay administrative expenses or are reallocated to participant accounts. At December 31, 2018 and 2017 there were funds of $34,616 and $23,998 available, respectively. During December 31, 2018, revenue sharing totaling $49,351 was contributed to the Plan, and is recorded as other income on the Statement of Changes in Net Assets Available for Benefits. Funds of $39,371 were used to pay administrative expenses for the year ended December 31, 2018.

### BENEFITS PAID TO PARTICIPANTS

Participants may withdraw amounts from their account during the year for reasons of disability, retirement, death, or terminations, and are entitled to their vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions. For vested account balances greater than $5,000, participants may elect a distribution in the form of a single lump sum payment. Upon termination, for vested account balances greater than $1,000 but less than $5,000, participants may elect to receive or roll over the distribution upon termination. Otherwise, the distribution will be directly rolled over to an IRA.

## 1 – DESCRIPTION OF PLAN, CONTINUED

### INVESTMENT OPTIONS

The Plan provides for participants to direct both employee and employer contributions into a variety of mutual funds of registered investment companies and a guaranteed investment contract in accordance with participant investment elections and provisions of the Trust agreement. Participants should refer to the Plan website for additional fund information.

### NOTES RECEIVABLE FROM PARTICIPANTS

Borrowings are available for all participants. Notes receivable from participants are limited to a minimum of $1,000 up to a maximum of the lesser of $50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service ("IRS"). A participant may only have two loans outstanding at any given time. The notes are secured by the balance in the participant's account and bear interest at a rate of prime rate plus 1%. Any note must be repaid within five years unless for the purchase of a primary residence which is fifteen years. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. Notes receivable from participants, as of December 31, 2018, have interest rates ranging from the rate 4.25% to 6.25% and maturity dates ranging from February 2019 through October 2033. Notes receivable from participants, as of December 31, 2017, have interest ranging from the rate 4.25% to 5.25% and maturity dates from January 2018 through November 2032.

### ADMINISTRATIVE EXPENSES

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

### PLAN TERMINATION

Although the Company expects to continue the Plan, the Company may terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, all amounts credited to participants' account shall become 100% vested, subject to payment of liquidation costs and expenses.

## 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

## 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### BASIS OF ACCOUNTING

The financial statements have been prepared under the accrual method in accordance with U.S. GAAP.

### INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value except for fully benefit-responsive guaranteed investment contracts, which are valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (See "Note 3 - Fair Value Measurements"). Contract value is the relevant measure attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (See "Note 5 - Guaranteed Investment Contract"). 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. The income earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) includes realized gains and losses on the investments bought and sold, as well as held during the year.

### NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balances, plus any accrued, unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon terms of the Plan document or loan policy of the Plan.

### BENEFITS

Benefits are recorded when paid.

### RECENT ACCOUNTING PRONOUNCEMENTS

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, "*Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*". ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, Fair Value Measurement. The amendments are based on the concepts in the FASB Concepts Statement, Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements, which the Board finalized on August 28, 2018. ASU No. 2018-13 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently assessing the impact that ASU No. 2018-13 will have on the Plan's financial statements.

## 3 – FAIR VALUE MEASUREMENTS

### INVESTMENT VALUATION AND LEVELING

FASB Accounting Standards Codification ("ASC") Topic 820 for Fair Value Measurements and Disclosures provides the framework for measuring and reporting the fair value of investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Significant observable inputs other than quoted prices in active markets for which inputs to the valuation methodology include:

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

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

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

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

In establishing a fair value hierarchy for the Plan's investments in accordance with ASC 820, the following methodologies were used for each type of investment:

*Mutual funds of registered investment companies*: Valued at the net asset value ("NAV") or quoted market prices of shares held by the Plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Plan believes its valuation methods are appropriate and consistent with other market participants; even so, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## 3 – FAIR VALUE MEASUREMENTS, CONTINUED

### INVESTMENT VALUATION AND LEVELING, CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds of registered investment companies | $ 16,491,792 | $ - | $ - | $ 16,491,792 |
| Total investments, at fair value | $ 16,491,792 | $ - | $ - | $ 16,491,792 |

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds of registered investment companies | $ 16,274,653 | $ - | $ - | $ 16,274,653 |
| Total investments, at fair value | $ 16,274,653 | $ - | $ - | $ 16,274,653 |

## 4 – FINANCIAL INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES (UNAUDITED)

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the independent auditors not to perform any auditing procedures with respect to the following information certified as complete and accurate by the Trustees and party-in-interest to the Plan, as of December 31, 2018 and 2017, and for the year ended December 31, 2018, except for comparing such information certified by the Trustees to the information included in the Plan's financial statements and supplemental schedule. This information consists of the following:

| | 2018 | 2017 |
|---|---|---|
| Investments, at fair value: | | |
| Mutual funds of registered investment companies | $ 16,491,792 | $ 16,274,653 |
| Total investments, at fair value | 16,491,792 | 16,274,653 |
| Guaranteed investment contract, at contract value | 203,398 | 84,127 |
| Total investments | $ 16,695,190 | $ 16,358,780 |
| Notes receivable from participants | $ 720,618 | $ 524,650 |
| Interest and dividends | $ 408,137 | |
| Other income | $ 49,351 | |
| Net depreciation of fair value of investments | $ (1,320,904) | |
| Interest on notes receivable from participants | $ 29,444 | |

## NOTE 5 – GUARANTEED INVESTMENT CONTRACT

The Plan holds funds in a fully benefit-responsive guaranteed investment contract, the Prudential Guaranteed Income Fund. Prudential maintains the contributions in its general account. Prudential's general account is credited with contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the Issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. The Plan or Prudential can terminate the contract by providing written notice to the other party 30 days prior to the termination date. If the contract were to terminate by the Plan or Prudential, interest would not be less than the minimum interest rate established in the investment contract. There may be a market value adjustment upon the Plan's election to terminate the contract with a lump sum distribution, which may result in a distribution that is less than or in excess of contract value. Certain unobservable inputs are assessed through review of contract terms (ex: duration or payout date) while others are substantiated utilizing available market date (ex: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. These events may be different under each contract. Examples of such events include the following:

- The Plan's failure to qualify under Section 401(a) of the Internal Revenue Code or the failure of the trust to be tax-exempt under Section 501(a) of the Internal Revenue Code
- Premature termination of the contract
- Plan terminations or mergers
- Changes to the Plan's prohibition or competing investment options
- Bankruptcy of the plan sponsor or other plan sponsor event (for example, divestitures or spinoffs of a subsidiary) that significantly affect the Plan's normal operations.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers or that also limited the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuers to terminate the contracts with the Plan and settle at an amount different from contract value. Those events may be different under each contract. Examples of such events include the following:

- An uncured violation of the Plan's investment guidelines
- A breach of material obligation under the contact
- A material misrepresentation
- A material amendment to the agreements without the consent of the issuer

## 6 – PARTY-IN-INTEREST TRANSACTIONS

The Plan investments include units of a guaranteed investment contract managed by Prudential Retirement Insurance and Annuity Company. Prudential acted in capacity as the Trustee as of December 31, 2018 and 2017; therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for various administrative expenses, including investment management services, amounted to $183,993 for the year ended December 31, 2018.

## 7 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options, including mutual funds of registered investment companies and a guaranteed investment contract. 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 reasonably possible that changes in the values of the investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements or participant accounts.

## 8 – TAX STATUS OF THE PLAN

The Plan was based on a prototype plan developed by The Prudential Insurance Company of America, which received a favorable opinion letter dated April 29, 2014. The Plan Administrator believes the Plan, as adopted and amended, is operating within the guidelines of the IRC and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the DOL or IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examination for years prior to 2015.

## 9 – EXCESS CONTRIBUTIONS PAYABLE

The Plan failed the discrimination testing for the years ended December 31, 2018 and 2017. As a result, excess contributions payable amounting to $10,926 and $4,348, respectively are recorded as liabilities in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2018 and 2017, and as a reduction to contributions in the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2018.

## 10 – RECONCILIATION TO THE FORM 5500, SCHEDULE H

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 17,404,882 | $ 16,879,082 |
| Add: Excess contributions payable | 10,926 | 4,348 |
| Net assets available for benefits per the Form 5500 | $ 17,415,808 | $ 16,883,430 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2018:

| | |
|---|---|
| Net increase in net assets per the financial statements | $ 525,800 |
| Add: current year excess contributions payable | 10,926 |
| Less: prior year excess contributions payable | (4,348) |
| Net increase in net assets per the Form 5500 | $ 532,378 |

## 11 – SUBSEQUENT EVENTS

In accordance with FASB ASC 855, "*Subsequent Events*", the Plan has evaluated events or transactions occurring after December 31, 2018, the Statements of Net Assets Available for Benefits date, through August 28, 2019, the date the financial statements were ready to be issued, and determined there were no events or transactions, other than those noted below, that would impact the financial statements as of and for the year ended December 31, 2018.

Effective January 1, 2019, the Plan was amended to reduce the number of notes receivable that participants can have outstanding to one note.

Effective April 14, 2019, the Company discontinued a certain industrial automation operation and sold the contracts to Voith Holdings. As a result of the discontinued operations and significant reduction in the Company's workforce, the Plan Administrator determined that a partial plan termination of the Plan occurred during 2019. All participants that were terminated due to this event became fully vested in their accounts.

# SUPPLEMENTAL SCHEDULE

# TSP, INC. 401(K) P/S PLAN

SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER ID NUMBER: 16-1641884, PLAN NUMBER 001
DECEMBER 31, 2018

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|---|---|---|---|
| | **Mutual funds of registered investment companies, at fair value:** | | |
| | Legg Mason | Western Asset Core Plus Bond Fund IS | $ 3,483,177 |
| | Massachusetts Financial Services Company | MFS Lifetime 2050 Fund R4 | 2,511,599 |
| | Massachusetts Financial Services Company | MFS Lifetime 2025 Fund R4 | 1,910,789 |
| | Massachusetts Financial Services Company | MFS Lifetime 2020 Fund R4 | 1,671,843 |
| | Vanguard | Vanguard Total International Stock Index Fund | 1,335,994 |
| | Massachusetts Financial Services Company | MFS Lifetime 2035 Fund R4 | 1,138,057 |
| | Massachusetts Financial Services Company | MFS Lifetime Income Fund R4 | 895,715 |
| | Vanguard | Vanguard Long-Term Bond Index Fund | 777,590 |
| | Vanguard | Vanguard 500 Index Fund Admiral | 414,022 |
| | Massachusetts Financial Services Company | MFS Lifetime 2040 Fund R4 | 458,700 |
| | Northern Funds | Northern Global Sustainability Index Fund | 445,408 |
| | Massachusetts Financial Services Company | MFS Lifetime 2045 Fund R4 | 376,265 |
| | Columbia Threadneedle Investments | Columbia Global Technology Growth Fund | 274,073 |
| | Deutsche Asset Management | Deutsche Science and Technology Fund A | 144,642 |
| | American Funds | American Funds Capital World Gr & Inc. Fund R6 | 129,066 |
| | Massachusetts Financial Services Company | MFS Value Fund R6 | 124,560 |
| | Franklin Templeton Investments | Franklin Small Cap Growth Fund R6 | 111,438 |
| | AllianceBernstein | AB Global Bond Fund Z | 81,195 |
| | OppenheimerFunds | Oppenheimer Discovery Mid Cap Growth Fund I | 67,862 |
| | Massachusetts Financial Services Company | MFS Lifetime 2055 Fund R4 | 42,822 |
| | Franklin Templeton Investments | Franklin U.S. Government Securities Fund R6 | 36,882 |
| | BlackRock | BlackRock Basic Value Fund K | 45,317 |
| | AllianceBernstein | AB Large Cap Growth Fund Z | 14,776 |
| | **Total mutual funds of registered investment companies** | | **16,491,792** |
| | **Guaranteed investment contract, at contract value:** | | |
| * | Prudential Retirement Insurance and Annuity Company | Guaranteed Income Fund | **203,398** |
| | **Notes receivable from participants:** | | |
| * | Plan participants | Notes receivable from participants with interest rates from 4.25% to 6.25% and maturity dates from February 2019 to October 2033. | **720,618** |
| | **Total** | | **$ 17,415,808** |

* Indicates party-in-interest to the plan.
Column (d) cost information omitted for participant-directed investments.

# TSP, INC. 401(K) P/S PLAN

FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULE

*WITH INDEPENDENT AUDITORS' REPORT THEREON*

DECEMBER 31, 2018 AND 2017

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# TSP, INC. 401(K) P/S PLAN

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For the Year Ended December 31, 2018 ..... 4

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**SUPPLEMENTAL SCHEDULE:**

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
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Note: Supplemental schedules, other than those listed above, are omitted because of the absence of conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of
TSP, Inc. 401(k) P/S Plan:

## REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of TSP, Inc. 401(k) P/S Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITORS' RESPONSIBILITY

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

## BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Prudential Bank & Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company, (collectively the "Trustees" of the Plan), except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustees hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained a certification from the Trustees as of December 31, 2018 and 2017, and for the year ended December 31, 2018, that the information provided to the Plan Administrator by the Trustees is complete and accurate.

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**DISCLAIMER OF OPINION**

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

**OTHER MATTERS – SUPPLEMENTAL SCHEDULE**

The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2018 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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

Sincerely,

Baker Tilly Virchow Krause, LLP

**BAKER TILLY VIRCHOW KRAUSE, LLP**
Plano, Texas
August 28, 2019

# TSP, INC. 401(K) P/S PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| **Assets** | | |
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| Mutual funds of registered investment companies | $ 16,491,792 | $ 16,274,653 |
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| Total receivables | 720,618 | 524,650 |
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| Excess contributions payable | 10,926 | 4,348 |
| Total liabilities | 10,926 | 4,348 |
| Net assets available for benefits | $ 17,404,882 | $ 16,879,082 |

The accompanying notes are an integral part of these financial statements.

# TSP, INC. 401(K) P/S PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2018

| | |
|---|---|
| **Additions to net assets available for benefits attributed to:** | |
| Investment income (loss): | |
| Net depreciation of fair value of investments | $ (1,320,904) |
| Interest and dividends | 408,137 |
| Other income | 49,351 |
| Net investment loss | (863,416) |
| Interest on notes receivable from participants | 29,444 |
| Contributions: | |
| Participants | 2,621,730 |
| Employer, net | 487,096 |
| Rollover | 592,427 |
| Total contributions | 3,701,253 |
| Total additions | 2,867,281 |
| **Deductions from net assets available for benefits attributed to:** | |
| Benefits paid directly to participants | 2,157,488 |
| Administrative expenses, net | 183,993 |
| Total deductions | 2,341,481 |
| Net increase | 525,800 |
| Net assets available for benefits: | |
| Beginning of year | 16,879,082 |
| End of year | $ 17,404,882 |

The accompanying notes are an integral part of these financial statements.

## 1 – DESCRIPTION OF PLAN

### GENERAL

The TSP, Inc. 401(k) P/S Plan (the "Plan") is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was established on June 1, 2003, and is sponsored by Technology Service Professionals, Inc. (the "Company" or "Plan Administrator"). Prudential Bank and Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company ("Prudential" or collectively the "Trustees") serve as the Trustees and recordkeeper of the Plan. The following description provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### ELIGIBILITY AND PARTICIPANT ACCOUNTS

All employees are eligible for participation on the first day of the month after attaining the age of twenty-one, with the exception of members of collective bargaining units, non-resident employees, and employees residing in Puerto Rico, as defined by the Plan document.

Subject to certain limitations on annual additions, each participant's account is credited with employee elective deferrals, Company discretionary matching contributions, discretionary profit sharing contributions, and an allocation of Plan earnings or losses and charged with certain administrative expenses. Participants may modify investment elections, transfer existing account balances, and obtain information regarding Plan investments on a daily basis.

### CONTRIBUTIONS

The Plan is funded through participant elective deferrals and Company matching contributions. Participants may elect to contribute any portion of his or her pretax or after-tax "Roth" compensation, as defined by the Plan, subject to certain maximum limitations imposed by the Internal Revenue Code ("IRC") ($18,500 for 2018). Participants who are eligible to make elective deferrals under the Plan and who have attained the age of fifty before the close of the Plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the IRC ($6,000 for 2018). Rollover contributions representing distributions from other qualified defined benefit or defined contribution plans are permitted and may be made prior to meeting the eligibility requirements for participation in the Plan.

Unless otherwise elected, eligible employees will be automatically enrolled in the Plan at a contribution rate of 4% of pretax compensation. The Plan also has an automatic pretax elective deferral increase feature. Unless otherwise elected, pre-tax contribution elections are increased on an annual basis on the first day of the Plan year by 1% of compensation per year up to a maximum of 99% of eligible compensation.

The Company makes discretionary matching contributions of 50% of employees' salary deferral amounts on the first 4% of employees' eligible compensation, and the Company may make additional Company discretionary profit sharing contributions as defined and approved. No discretionary profit sharing contributions were made for the year ended December 31, 2018.

## 1 – DESCRIPTION OF PLAN, CONTINUED

### VESTING

Participants are immediately vested in elective deferrals, rollover contributions, and qualified non-elective employer matching contributions, plus actual earnings thereon. Vesting in the Company's discretionary matching contributions, plus actual earnings, thereon, is based on continuous years of service as follows:

| Years of Service | Vesting Percent |
|---|---|
| Less than 2 Years | 0% |
| 2 Years | 20% |
| 3 Years | 40% |
| 4 Years | 60% |
| 5 Years | 80% |
| 6 Years | 100% |

### FORFEITURES

Forfeitures of terminated participants' non-vested accounts are used to pay administrative expenses or reduce Company matching contributions. These amounts are reported as a component of net assets available for benefits. At December 31, 2018 and 2017, there were forfeitures of $31,348 and $7,459 available, respectively. During 2018, forfeitures in the amounts of $174,915 were used to reduce Company matching contributions.

### REVENUE SHARING ACCOUNT

Revenue sharing accounts are used to pay administrative expenses or are reallocated to participant accounts. At December 31, 2018 and 2017 there were funds of $34,616 and $23,998 available, respectively. During December 31, 2018, revenue sharing totaling $49,351 was contributed to the Plan, and is recorded as other income on the Statement of Changes in Net Assets Available for Benefits. Funds of $39,371 were used to pay administrative expenses for the year ended December 31, 2018.

### BENEFITS PAID TO PARTICIPANTS

Participants may withdraw amounts from their account during the year for reasons of disability, retirement, death, or terminations, and are entitled to their vested account balance. Participants may also make hardship withdrawals on the balance of their account related to their elective deferral contributions. For vested account balances greater than $5,000, participants may elect a distribution in the form of a single lump sum payment. Upon termination, for vested account balances greater than $1,000 but less than $5,000, participants may elect to receive or roll over the distribution upon termination. Otherwise, the distribution will be directly rolled over to an IRA.

## 1 – DESCRIPTION OF PLAN, CONTINUED

### INVESTMENT OPTIONS

The Plan provides for participants to direct both employee and employer contributions into a variety of mutual funds of registered investment companies and a guaranteed investment contract in accordance with participant investment elections and provisions of the Trust agreement. Participants should refer to the Plan website for additional fund information.

### NOTES RECEIVABLE FROM PARTICIPANTS

Borrowings are available for all participants. Notes receivable from participants are limited to a minimum of $1,000 up to a maximum of the lesser of $50,000 or 50% of their vested account balance, subject to certain restrictions as defined by the Internal Revenue Service ("IRS"). A participant may only have two loans outstanding at any given time. The notes are secured by the balance in the participant's account and bear interest at a rate of prime rate plus 1%. Any note must be repaid within five years unless for the purchase of a primary residence which is fifteen years. Repayments are made through payroll deductions and are reinvested in the participant accounts according to individual investment elections. Notes receivable from participants, as of December 31, 2018, have interest rates ranging from the rate 4.25% to 6.25% and maturity dates ranging from February 2019 through October 2033. Notes receivable from participants, as of December 31, 2017, have interest ranging from the rate 4.25% to 5.25% and maturity dates from January 2018 through November 2032.

### ADMINISTRATIVE EXPENSES

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and fees paid related to benefits paid to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

### PLAN TERMINATION

Although the Company expects to continue the Plan, the Company may terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, all amounts credited to participants' account shall become 100% vested, subject to payment of liquidation costs and expenses.

## 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Plan's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, changes therein, and associated disclosures. Accordingly, actual results may vary from the estimates used in preparing the accompanying financial statements.

## 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

### BASIS OF ACCOUNTING

The financial statements have been prepared under the accrual method in accordance with U.S. GAAP.

### INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value except for fully benefit-responsive guaranteed investment contracts, which are valued at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, (See "Note 3 - Fair Value Measurements"). Contract value is the relevant measure attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the provision of the Plan (See "Note 5 - Guaranteed Investment Contract"). 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. The income earned on participant accounts is allocated on a daily basis using the previous day's ending account balance. Net appreciation (depreciation) includes realized gains and losses on the investments bought and sold, as well as held during the year.

### NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balances, plus any accrued, unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon terms of the Plan document or loan policy of the Plan.

### BENEFITS

Benefits are recorded when paid.

### RECENT ACCOUNTING PRONOUNCEMENTS

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, "*Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*". ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, Fair Value Measurement. The amendments are based on the concepts in the FASB Concepts Statement, Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements, which the Board finalized on August 28, 2018. ASU No. 2018-13 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently assessing the impact that ASU No. 2018-13 will have on the Plan's financial statements.

## 3 – FAIR VALUE MEASUREMENTS

### INVESTMENT VALUATION AND LEVELING

FASB Accounting Standards Codification ("ASC") Topic 820 for Fair Value Measurements and Disclosures provides the framework for measuring and reporting the fair value of investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Significant observable inputs other than quoted prices in active markets for which inputs to the valuation methodology include:

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

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

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

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

In establishing a fair value hierarchy for the Plan's investments in accordance with ASC 820, the following methodologies were used for each type of investment:

*Mutual funds of registered investment companies*: Valued at the net asset value ("NAV") or quoted market prices of shares held by the Plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Plan believes its valuation methods are appropriate and consistent with other market participants; even so, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## 3 – FAIR VALUE MEASUREMENTS, CONTINUED

### INVESTMENT VALUATION AND LEVELING, CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2018:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds of registered investment companies | $ 16,491,792 | $ - | $ - | $ 16,491,792 |
| Total investments, at fair value | $ 16,491,792 | $ - | $ - | $ 16,491,792 |

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds of registered investment companies | $ 16,274,653 | $ - | $ - | $ 16,274,653 |
| Total investments, at fair value | $ 16,274,653 | $ - | $ - | $ 16,274,653 |

## 4 – FINANCIAL INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES (UNAUDITED)

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the independent auditors not to perform any auditing procedures with respect to the following information certified as complete and accurate by the Trustees and party-in-interest to the Plan, as of December 31, 2018 and 2017, and for the year ended December 31, 2018, except for comparing such information certified by the Trustees to the information included in the Plan's financial statements and supplemental schedule. This information consists of the following:

| | 2018 | 2017 |
|---|---|---|
| Investments, at fair value: | | |
| Mutual funds of registered investment companies | $ 16,491,792 | $ 16,274,653 |
| Total investments, at fair value | 16,491,792 | 16,274,653 |
| Guaranteed investment contract, at contract value | 203,398 | 84,127 |
| Total investments | $ 16,695,190 | $ 16,358,780 |
| Notes receivable from participants | $ 720,618 | $ 524,650 |
| Interest and dividends | $ 408,137 | |
| Other income | $ 49,351 | |
| Net depreciation of fair value of investments | $ (1,320,904) | |
| Interest on notes receivable from participants | $ 29,444 | |

## NOTE 5 – GUARANTEED INVESTMENT CONTRACT

The Plan holds funds in a fully benefit-responsive guaranteed investment contract, the Prudential Guaranteed Income Fund. Prudential maintains the contributions in its general account. Prudential's general account is credited with contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the Issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer but may not be less than zero. Such interest rates are continuously reviewed and reset as needed on a monthly to quarterly basis. The Plan or Prudential can terminate the contract by providing written notice to the other party 30 days prior to the termination date. If the contract were to terminate by the Plan or Prudential, interest would not be less than the minimum interest rate established in the investment contract. There may be a market value adjustment upon the Plan's election to terminate the contract with a lump sum distribution, which may result in a distribution that is less than or in excess of contract value. Certain unobservable inputs are assessed through review of contract terms (ex: duration or payout date) while others are substantiated utilizing available market date (ex: swap curve rate).

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. These events may be different under each contract. Examples of such events include the following:

- The Plan's failure to qualify under Section 401(a) of the Internal Revenue Code or the failure of the trust to be tax-exempt under Section 501(a) of the Internal Revenue Code
- Premature termination of the contract
- Plan terminations or mergers
- Changes to the Plan's prohibition or competing investment options
- Bankruptcy of the plan sponsor or other plan sponsor event (for example, divestitures or spinoffs of a subsidiary) that significantly affect the Plan's normal operations.

No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers or that also limited the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuers to terminate the contracts with the Plan and settle at an amount different from contract value. Those events may be different under each contract. Examples of such events include the following:

- An uncured violation of the Plan's investment guidelines
- A breach of material obligation under the contact
- A material misrepresentation
- A material amendment to the agreements without the consent of the issuer

## 6 – PARTY-IN-INTEREST TRANSACTIONS

The Plan investments include units of a guaranteed investment contract managed by Prudential Retirement Insurance and Annuity Company. Prudential acted in capacity as the Trustee as of December 31, 2018 and 2017; therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for various administrative expenses, including investment management services, amounted to $183,993 for the year ended December 31, 2018.

## 7 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options, including mutual funds of registered investment companies and a guaranteed investment contract. 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 reasonably possible that changes in the values of the investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements or participant accounts.

## 8 – TAX STATUS OF THE PLAN

The Plan was based on a prototype plan developed by The Prudential Insurance Company of America, which received a favorable opinion letter dated April 29, 2014. The Plan Administrator believes the Plan, as adopted and amended, is operating within the guidelines of the IRC and continues to be tax exempt. Accordingly, no provision for federal income taxes has been provided in the accompanying financial statements.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the DOL or IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examination for years prior to 2015.

## 9 – EXCESS CONTRIBUTIONS PAYABLE

The Plan failed the discrimination testing for the years ended December 31, 2018 and 2017. As a result, excess contributions payable amounting to $10,926 and $4,348, respectively are recorded as liabilities in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2018 and 2017, and as a reduction to contributions in the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2018.

## 10 – RECONCILIATION TO THE FORM 5500, SCHEDULE H

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 17,404,882 | $ 16,879,082 |
| Add: Excess contributions payable | 10,926 | 4,348 |
| Net assets available for benefits per the Form 5500 | $ 17,415,808 | $ 16,883,430 |

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2018:

| | |
|---|---|
| Net increase in net assets per the financial statements | $ 525,800 |
| Add: current year excess contributions payable | 10,926 |
| Less: prior year excess contributions payable | (4,348) |
| Net increase in net assets per the Form 5500 | $ 532,378 |

## 11 – SUBSEQUENT EVENTS

In accordance with FASB ASC 855, "*Subsequent Events*", the Plan has evaluated events or transactions occurring after December 31, 2018, the Statements of Net Assets Available for Benefits date, through August 28, 2019, the date the financial statements were ready to be issued, and determined there were no events or transactions, other than those noted below, that would impact the financial statements as of and for the year ended December 31, 2018.

Effective January 1, 2019, the Plan was amended to reduce the number of notes receivable that participants can have outstanding to one note.

Effective April 14, 2019, the Company discontinued a certain industrial automation operation and sold the contracts to Voith Holdings. As a result of the discontinued operations and significant reduction in the Company's workforce, the Plan Administrator determined that a partial plan termination of the Plan occurred during 2019. All participants that were terminated due to this event became fully vested in their accounts.

# SUPPLEMENTAL SCHEDULE

# TSP, INC. 401(K) P/S PLAN

SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER ID NUMBER: 16-1641884, PLAN NUMBER 001
DECEMBER 31, 2018

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|---|---|---|---|
| | **Mutual funds of registered investment companies, at fair value:** | | |
| | Legg Mason | Western Asset Core Plus Bond Fund IS | $ 3,483,177 |
| | Massachusetts Financial Services Company | MFS Lifetime 2050 Fund R4 | 2,511,599 |
| | Massachusetts Financial Services Company | MFS Lifetime 2025 Fund R4 | 1,910,789 |
| | Massachusetts Financial Services Company | MFS Lifetime 2020 Fund R4 | 1,671,843 |
| | Vanguard | Vanguard Total International Stock Index Fund | 1,335,994 |
| | Massachusetts Financial Services Company | MFS Lifetime 2035 Fund R4 | 1,138,057 |
| | Massachusetts Financial Services Company | MFS Lifetime Income Fund R4 | 895,715 |
| | Vanguard | Vanguard Long-Term Bond Index Fund | 777,590 |
| | Vanguard | Vanguard 500 Index Fund Admiral | 414,022 |
| | Massachusetts Financial Services Company | MFS Lifetime 2040 Fund R4 | 458,700 |
| | Northern Funds | Northern Global Sustainability Index Fund | 445,408 |
| | Massachusetts Financial Services Company | MFS Lifetime 2045 Fund R4 | 376,265 |
| | Columbia Threadneedle Investments | Columbia Global Technology Growth Fund | 274,073 |
| | Deutsche Asset Management | Deutsche Science and Technology Fund A | 144,642 |
| | American Funds | American Funds Capital World Gr & Inc. Fund R6 | 129,066 |
| | Massachusetts Financial Services Company | MFS Value Fund R6 | 124,560 |
| | Franklin Templeton Investments | Franklin Small Cap Growth Fund R6 | 111,438 |
| | AllianceBernstein | AB Global Bond Fund Z | 81,195 |
| | OppenheimerFunds | Oppenheimer Discovery Mid Cap Growth Fund I | 67,862 |
| | Massachusetts Financial Services Company | MFS Lifetime 2055 Fund R4 | 42,822 |
| | Franklin Templeton Investments | Franklin U.S. Government Securities Fund R6 | 36,882 |
| | BlackRock | BlackRock Basic Value Fund K | 45,317 |
| | AllianceBernstein | AB Large Cap Growth Fund Z | 14,776 |
| | **Total mutual funds of registered investment companies** | | **16,491,792** |
| | **Guaranteed investment contract, at contract value:** | | |
| * | Prudential Retirement Insurance and Annuity Company | Guaranteed Income Fund | **203,398** |
| | **Notes receivable from participants:** | | |
| * | Plan participants | Notes receivable from participants with interest rates from 4.25% to 6.25% and maturity dates from February 2019 to October 2033. | **720,618** |
| | **Total** | | **$ 17,415,808** |

* Indicates party-in-interest to the plan.
Column (d) cost information omitted for participant-directed investments.