

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
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report ☐ 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:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)	

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>MANAGEMENT SERVICES COMPANY 401(K) PROFIT SHARING PLAN & TRUST</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>01/01/1997</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>BEL AIR CARE CENTER</u> <u>360 WABASH AVE N</u> <u>BREWSTER, OH 44613-1042</u>	2b	Employer Identification Number (EIN) <u>34-1426629</u>
		2c	Plan Sponsor's telephone number <u>330-767-3451</u>
		2d	Business code (see instructions) <u>541600</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2019	GINA TOMCZAK
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 136
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 127 6a(2) 143 6b 1 6c 7 6d 151 6e 0 6f 151 6g 33 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2T 2J 3D 2G 2K 2F 2E 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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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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)** ☒ **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)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **0** **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 MANAGEMENT SERVICES COMPANY 401(K) PROFIT SHARING PLAN & TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 BEL AIR CARE CENTER	D Employer Identification Number (EIN) 34-1426629	

Part I	Service Provider Information (see instructions)
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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)..... ☐ 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
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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)

PAYCHEX, INC.

911 PANORAMA TRAIL S
ROCHESTER, NY 14625

16-1124166

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RECORDKEEPER	11349	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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE 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
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan MANAGEMENT SERVICES COMPANY 401(K) PROFIT SHARING PLAN & TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BEL AIR CARE CENTER	D Employer Identification Number (EIN) 34-1426629	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	1057	0
(2) Participant contributions	1b(2)	1352	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	17006	16175
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other.....	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common.....	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property).....	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans.....	1c(8)	37155	38039
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	571135	480772
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	627705	534986

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	627705	534986
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Part II Income and Expense Statement

- 2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	23214	
(B) Participants	2a(1)(B)	27560	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		50774
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	297	
(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)	1656	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1953
(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)	20653	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		20653
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-42623
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		30757

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	106828	
(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)		106828
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	16648	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		16648
j Total expenses. Add all expense amounts in column (b) and enter total	2j		123476

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-92719
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: HD DAVIS CPA'S LLC

(2) EIN: 45-2908935

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

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

Part IV Compliance Questions

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

During the plan year:

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

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		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 <u>MANAGEMENT SERVICES COMPANY 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BEL AIR CARE CENTER</u>	D Employer Identification Number (EIN) <u>34-1426629</u>

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	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>16-1470238</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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):

**Management Services Company 401(k) Profit Sharing Plan & Trust
Report on Audit of Financial Statements
December 31, 2018 and 2017
And For The Years Then Ended**

**Prepared by: HD Davis CPAs, LLC
Certified Public Accountants
125 Churchill Hubbard Rd.
Youngstown, Ohio 44505
(330) 759-8522**

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

MANAGEMENT SERVICES COMPANY 401K
PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

C O N T E N T S

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October 1, 2019

Administrator
Management Services Company 401(k)
Profit Sharing Plan & Trust
Brewster, OH

Independent Auditor's Report

Report on Financial Statements

We were engaged to audit the accompanying financial statements of Management Services Company 401(k) Profit Sharing & Trust (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 years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Mid Atlantic Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets held for investment purposes as of or for the year ended December 31, 2018, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with the auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

HD Davis CPAs

HD DAVIS CPAs, LLC
Certified Public Accountants

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

MANAGEMENT SERVICES COMPANY 401 K PROFIT
SHARING PLAN & TRUST

December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>INVESTMENTS AT FAIR VALUE - NOTE D</u>		
Registered Investment Companies	\$ 496,947	\$ 588,141
<u>RECEIVABLES</u>		
Contributions receivable	0	2,409
Notes receivable from participants	38,039	37,155
TOTAL RECEIVABLES	38,039	39,564
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 534,986</u>	<u>\$ 627,705</u>

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

MANAGEMENT SERVICES COMPANY 401 K PROFIT
SHARING PLAN & TRUST

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>INVESTMENT INCOME</u>		
Net appreciation in fair value of investments	\$ (42,623)	\$ 54,063
Interest and dividends	<u>22,606</u>	<u>12,213</u>
GROSS PROFIT	<u>(20,017)</u>	<u>66,276</u>
 <u>CONTRIBUTIONS</u>		
Participants	27,560	38,944
Employers	23,214	30,133
Other	<u>0</u>	<u>3,557</u>
	<u>50,774</u>	<u>72,634</u>
TOTAL ADDITIONS	<u>30,757</u>	<u>138,910</u>
 <u>DEDUCTIONS</u>		
Benefit payments	106,828	28,287
Administrative expenses	<u>16,648</u>	<u>7,699</u>
TOTAL DEDUCTIONS	<u>123,476</u>	<u>35,986</u>
NET INCREASE (DECREASE)	\$ (92,719)	\$ 102,924
 <u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
Beginning of year	<u>627,705</u>	<u>524,781</u>
 End of year	<u><u>\$ 534,986</u></u>	<u><u>\$ 627,705</u></u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE A – DESCRIPTION OF PLAN

The following description of Management Services Company 401(k) Profit Sharing and Trust (the “Plan”) as amended and restated on January 1, 2016 is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

Management Services Company (the “Company”) established the Management Services Company 401(k) Profit Sharing and Trust (the “Plan”) effective January 1, 1997.

The Plan is a defined contribution plan covering all full-time employees of Management Services Company (the “Employer”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Eligibility:

An eligible employee is any person employed by the Company excluding employees covered by a collective bargaining agreement, non-resident aliens with no U.S. income, the result of a transaction described in Code section 410(b)(6)(C). Employees of the Company are eligible to participate in the Plan on the first day of each month of the plan year, coincident with or next following the date the employee reaches age 18 for deferrals and matching contributions and 21 for employer profit sharing contributions and after completing one year of service in which at least 1,000 hours are worked. Participants must complete at least 1,000 hours of service during the Plan year, and be employed as of the last day of the Plan year, to be eligible to receive any employer matching contribution.

Contributions:

Participants may make voluntary contributions from 1% to 92% of their annual compensation, as described in the Plan agreement. The participant may elect to have their compensation reduced by making contributions to the plan on a pre-tax basis or on an after-tax basis. The total annual participant voluntary contribution is limited to \$18,500 and \$18,000 in 2018 and 2017, respectively. Participants who will be at least age 50 by the end of the year may make additional contributions of \$6,000 for 2018 and 2017, respectively. Participants may also contribute amounts representing roll-over distributions from other qualified plans. The employer can make discretionary matching contributions to the Plan. The employer made matching contributions of \$23,214 and \$30,133 in 2018 and 2017, respectively.

Participant’s voluntary contributions and employer’s matching contributions are designated under a qualified deferred arrangement as allowed by Section 401(k) and 401(m) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE A – DESCRIPTION OF PLAN (CONTINUED)

Participants' Accounts:

Each participant's account is credited with their voluntary contribution and employer's matching and profit sharing contributions and an allocation of the Plan's net earnings as defined by the Plan.

Plan Assets:

The Plan's assets are invested in various mutual funds as administered by the Plan's trustee, Mid-Atlantic Trust Company. The participants are responsible for making investment decisions and may direct contributions to any or all mutual funds available.

Vesting:

Participants are immediately vested in their voluntary contributions and employer's matching contribution plus actual earnings thereon. Participants are 100% vested in the employer's profit sharing contribution and actual earnings after six years of service. The employer made profit sharing contributions of \$-0- in 2018 and 2017, respectively.

Payment of Benefits:

On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account or partial withdrawals, with a minimum of \$1,000. In-service distributions are allowed at age 59½.

For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or may continue to participate in the plan investments and benefits will be provided upon retirement or death. If the balance of the vested accounts are \$5,000 or less, payment will be made in a lump-sum without the participant's consent. Hardship distributions are allowed in accordance with the provisions of the Plan.

Forfeitures:

Forfeitures are the nonvested portion of a participant's account that is lost upon termination of employment. Forfeitures will be used to offset the Company's contributions for the Plan year. As of December 31, 2018 and 2017, the total forfeitures were \$-0-, respectively.

Notes Receivable from Participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participants total vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's vested account and bear interest at a rate commensurate with prevailing interest rates.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE A – DESCRIPTION OF PLAN (CONTINUED)

Notes Receivable from Participants (Continued):

Principal and interest are paid ratably through payroll deductions. Interest income for 2018 and 2017 totaled \$1,656 and \$1,862, respectively and has been recorded as other income in the accompanying Statements of Changes in Net Assets Available for Benefits.

Plan Costs:

All administrative, investment and audit expenses incurred in connection with Plan are paid by the Plan. The Company, at any time, may elect to pay for all administrative, investment and audit expenses.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the Plan are prepared using the accrual method of accounting. Investment contracts are required to be reported at fair value. However, contract value is the relevant measurement attribute for the portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transaction under the terms of the Plan. The statements of net assets available for benefits present the fair value of the investment contracts. There was no adjustment of the fully benefit-responsive investment contracts from fair value to contract value, since contract value is the same as fair value.

Investment Valuation and Income Recognition:

The investment funds are valued by Mid Atlantic Trust Company at quoted market prices of the underlying securities comprising each fund. The Plan's investment in an investment fund is expressed in "units". A "unit value" is calculated by dividing the value of the entire investment fund by the total number of units in the fund. The value of the Plan's investment in an investment fund is determined by multiplying the number of units held by the Plan by the fund's unit value.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on investment transactions are recorded as the difference between proceeds received and the investment's fair value at the beginning of the year or acquisition cost if acquired during the year. Unrealized appreciation and depreciation is recorded as the difference between the investment's fair value at the end of the year and the fair value at the beginning of the year, of cost if acquired during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle:

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient.

Part I eliminates the requirement to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of the net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type.

Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risk. Further, the disclosure of information about fair value measurements shall be provided by the general type of plan asset.

Part III is not applicable to the Plan. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted.

Subsequent Events:

Management evaluated all activity of the Plan through October 1, 2019, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

NOTE C – INFORMATION CERTIFIED BY TRUSTEE

The plan administrator has elected the method of compliance permitted pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations and Disclosures under the Employment Retirement Income Security Act of 1974. Accordingly, Mid-Atlantic Trust Company, the plan trustee, has certified that all of the investments and investment-related activity presented in the statements of net assets available for benefits, statements of changes in net assets available for benefits, and the supplemental schedule of assets held for investment purposes are complete and accurate. Such information has not been audited by independent auditors except for comparing such information with the related information included in the financial statements and supplemental schedule as of December 31, 2018 and 2017 and for the years then ended.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE C – INFORMATION CERTIFIED BY TRUSTEE (CONTINUED)

The following investment information included in the accompanying financial statements and supplemental schedules was obtained from data prepared and certified to as complete and accurate to the best of its knowledge by the custodian as of December 31:

	<u>2018</u>	<u>2017</u>
Investments at Fair Value:		
Mutual Funds	<u>\$ 496,947</u>	<u>\$ 588,141</u>

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC 820 requires the Plan to classify its assets and liabilities based on valuation methods using three inputs. Level 1 inputs are based on quoted prices in active markets for identical investments. Level 2 inputs are based on significant observable market inputs, such as quoted prices for similar investments and quoted prices in inactive markets. Level 3 inputs are based on significant unobservable inputs that reflect the Plan's determination of assumptions that market participants might reasonably use in valuing the investments. The valuation inputs are not necessarily an indication of risk or liquidity associated with the underlying investments.

Level 1 Fair Value Measurements

The fair value of the investment in self-directed investment accounts and self-directed brokerage accounts is valued at the share prices of net assets value (NAV) of the shares held by the Plan at year end.

Level 2 Fair Value Measurements

The fair value of the investment in common/collective trust is based on the number of units the Plan holds times the unit value as determined by the trustee of the fund. The value of each unit is determined by adding the value of all of the fund's assets, subtracting all accrued expenses and liabilities and dividing by the number of units outstanding. These investment funds do not impose a redemption fee if individual participant accounts are moved in and out. However, there are restrictions on the full liquidation of the investment in common/collective trust at NAV by the Plan.

Level 3 Fair Value Measurements

None Present.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

	<u>Assets at Fair Value</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 480,772	\$ 16,175	\$ 0	\$ 496,947

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

	<u>Assets at Fair Value</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 571,135	\$ 17,006	\$ 0	\$ 588,141

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$42,623 during 2018 and appreciated in value by \$54,063 during 2017.

NOTE E – INCOME TAXES

The Internal Revenue Service has ruled in a letter dated March 10, 2014 that the Plan, as the designed, qualified under Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, not subject to federal income taxes. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes had been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more than likely would not be sustained upon examination by the applicable taxing authorities. The Plan administrator has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for the years prior to 2015.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE F – RISKS AND UNCERTANTIES

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

SCHEDULE H, ITEM 4i -
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

MANAGEMENT SERVICES COMPANY 401 K PROFIT
SHARING PLAN & TRUST

EIN: 34-1426629
PLAN NUMBER: 001

December 31, 2018

(b) IDENTITY OF ISSUER, BORROWER, LESSOR OR SIMILAR PARTY AND (c) DESCRIPTION		(d)	(e)
(a)	INVESTMENT	COST	CURRENT VALUE
N/A	American Funds Europacific Growth R6	N/A	\$ 11,440
N/A	DFA Emerging Markets Core Equity I	N/A	12,705
N/A	DFA Real Estate Securities I	N/A	7,130
N/A	Dodge & Cox Income Fund	N/A	38,830
N/A	Guggenheim Limited Duration Fund Institutional Class	N/A	16,147
N/A	Pimco Income Institutional	N/A	23,369
N/A	Vanguard Equity-Income Admiral	N/A	23,727
N/A	Vanguard Federal Money Market Fund	N/A	16,175
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N/A	Vanguard Mid Cap Index Admiral	N/A	21,327
N/A	Vanguard Small Cap Index Admiral	N/A	19,833
N/A	Vanguard Target Retirement Income Fund	N/A	70,037
N/A	Vanguard Target Retirement 2015 Fund	N/A	272
N/A	Vanguard Target Retirement 2020 Fund	N/A	9,234
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N/A	Vanguard Target Retirement 2045 Fund	N/A	18,798
N/A	Vanguard Target Retirement 2050 Fund	N/A	264
N/A	Vanguard Target Retirement 2055 Fund	N/A	193
N/A	Vanguard Target Retirement 2060 Fund	N/A	193
N/A	Vanguard Total Stock Mkt Index Admiral	N/A	29,092
			496,947
	Notes receivable from participants (Interest at 4.25 - 6.00%)	\$ 0	38,039
		TOTAL	<u>\$ 534,986</u>

**Management Services Company 401(k) Profit Sharing Plan & Trust
Report on Audit of Financial Statements
December 31, 2018 and 2017
And For The Years Then Ended**

**Prepared by: HD Davis CPAs, LLC
Certified Public Accountants
125 Churchill Hubbard Rd.
Youngstown, Ohio 44505
(330) 759-8522**

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

MANAGEMENT SERVICES COMPANY 401K
PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

C O N T E N T S

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October 1, 2019

Administrator
Management Services Company 401(k)
Profit Sharing Plan & Trust
Brewster, OH

Independent Auditor's Report

Report on Financial Statements

We were engaged to audit the accompanying financial statements of Management Services Company 401(k) Profit Sharing & Trust (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 years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Mid Atlantic Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets held for investment purposes as of or for the year ended December 31, 2018, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with the auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

HD Davis CPAs

HD DAVIS CPAs, LLC
Certified Public Accountants

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

MANAGEMENT SERVICES COMPANY 401 K PROFIT
SHARING PLAN & TRUST

December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
<u>INVESTMENTS AT FAIR VALUE - NOTE D</u>		
Registered Investment Companies	\$ 496,947	\$ 588,141
<u>RECEIVABLES</u>		
Contributions receivable	0	2,409
Notes receivable from participants	38,039	37,155
TOTAL RECEIVABLES	<u>38,039</u>	<u>39,564</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 534,986</u></u>	<u><u>\$ 627,705</u></u>

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

MANAGEMENT SERVICES COMPANY 401 K PROFIT
SHARING PLAN & TRUST

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>INVESTMENT INCOME</u>		
Net appreciation in fair value of investments	\$ (42,623)	\$ 54,063
Interest and dividends	<u>22,606</u>	<u>12,213</u>
GROSS PROFIT	<u>(20,017)</u>	<u>66,276</u>
 <u>CONTRIBUTIONS</u>		
Participants	27,560	38,944
Employers	23,214	30,133
Other	<u>0</u>	<u>3,557</u>
	<u>50,774</u>	<u>72,634</u>
TOTAL ADDITIONS	<u>30,757</u>	<u>138,910</u>
 <u>DEDUCTIONS</u>		
Benefit payments	106,828	28,287
Administrative expenses	<u>16,648</u>	<u>7,699</u>
TOTAL DEDUCTIONS	<u>123,476</u>	<u>35,986</u>
NET INCREASE (DECREASE)	\$ (92,719)	\$ 102,924
 <u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
Beginning of year	<u>627,705</u>	<u>524,781</u>
 End of year	<u><u>\$ 534,986</u></u>	<u><u>\$ 627,705</u></u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE A – DESCRIPTION OF PLAN

The following description of Management Services Company 401(k) Profit Sharing and Trust (the “Plan”) as amended and restated on January 1, 2016 is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

Management Services Company (the “Company”) established the Management Services Company 401(k) Profit Sharing and Trust (the “Plan”) effective January 1, 1997.

The Plan is a defined contribution plan covering all full-time employees of Management Services Company (the “Employer”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Eligibility:

An eligible employee is any person employed by the Company excluding employees covered by a collective bargaining agreement, non-resident aliens with no U.S. income, the result of a transaction described in Code section 410(b)(6)(C). Employees of the Company are eligible to participate in the Plan on the first day of each month of the plan year, coincident with or next following the date the employee reaches age 18 for deferrals and matching contributions and 21 for employer profit sharing contributions and after completing one year of service in which at least 1,000 hours are worked. Participants must complete at least 1,000 hours of service during the Plan year, and be employed as of the last day of the Plan year, to be eligible to receive any employer matching contribution.

Contributions:

Participants may make voluntary contributions from 1% to 92% of their annual compensation, as described in the Plan agreement. The participant may elect to have their compensation reduced by making contributions to the plan on a pre-tax basis or on an after-tax basis. The total annual participant voluntary contribution is limited to \$18,500 and \$18,000 in 2018 and 2017, respectively. Participants who will be at least age 50 by the end of the year may make additional contributions of \$6,000 for 2018 and 2017, respectively. Participants may also contribute amounts representing roll-over distributions from other qualified plans. The employer can make discretionary matching contributions to the Plan. The employer made matching contributions of \$23,214 and \$30,133 in 2018 and 2017, respectively.

Participant’s voluntary contributions and employer’s matching contributions are designated under a qualified deferred arrangement as allowed by Section 401(k) and 401(m) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE A – DESCRIPTION OF PLAN (CONTINUED)

Participants' Accounts:

Each participant's account is credited with their voluntary contribution and employer's matching and profit sharing contributions and an allocation of the Plan's net earnings as defined by the Plan.

Plan Assets:

The Plan's assets are invested in various mutual funds as administered by the Plan's trustee, Mid-Atlantic Trust Company. The participants are responsible for making investment decisions and may direct contributions to any or all mutual funds available.

Vesting:

Participants are immediately vested in their voluntary contributions and employer's matching contribution plus actual earnings thereon. Participants are 100% vested in the employer's profit sharing contribution and actual earnings after six years of service. The employer made profit sharing contributions of \$-0- in 2018 and 2017, respectively.

Payment of Benefits:

On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account or partial withdrawals, with a minimum of \$1,000. In-service distributions are allowed at age 59½.

For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or may continue to participate in the plan investments and benefits will be provided upon retirement or death. If the balance of the vested accounts are \$5,000 or less, payment will be made in a lump-sum without the participant's consent. Hardship distributions are allowed in accordance with the provisions of the Plan.

Forfeitures:

Forfeitures are the nonvested portion of a participant's account that is lost upon termination of employment. Forfeitures will be used to offset the Company's contributions for the Plan year. As of December 31, 2018 and 2017, the total forfeitures were \$-0-, respectively.

Notes Receivable from Participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participants total vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's vested account and bear interest at a rate commensurate with prevailing interest rates.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE A – DESCRIPTION OF PLAN (CONTINUED)

Notes Receivable from Participants (Continued):

Principal and interest are paid ratably through payroll deductions. Interest income for 2018 and 2017 totaled \$1,656 and \$1,862, respectively and has been recorded as other income in the accompanying Statements of Changes in Net Assets Available for Benefits.

Plan Costs:

All administrative, investment and audit expenses incurred in connection with Plan are paid by the Plan. The Company, at any time, may elect to pay for all administrative, investment and audit expenses.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the Plan are prepared using the accrual method of accounting. Investment contracts are required to be reported at fair value. However, contract value is the relevant measurement attribute for the portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transaction under the terms of the Plan. The statements of net assets available for benefits present the fair value of the investment contracts. There was no adjustment of the fully benefit-responsive investment contracts from fair value to contract value, since contract value is the same as fair value.

Investment Valuation and Income Recognition:

The investment funds are valued by Mid Atlantic Trust Company at quoted market prices of the underlying securities comprising each fund. The Plan's investment in an investment fund is expressed in "units". A "unit value" is calculated by dividing the value of the entire investment fund by the total number of units in the fund. The value of the Plan's investment in an investment fund is determined by multiplying the number of units held by the Plan by the fund's unit value.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on investment transactions are recorded as the difference between proceeds received and the investment's fair value at the beginning of the year or acquisition cost if acquired during the year. Unrealized appreciation and depreciation is recorded as the difference between the investment's fair value at the end of the year and the fair value at the beginning of the year, of cost if acquired during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle:

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient.

Part I eliminates the requirement to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of the net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type.

Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risk. Further, the disclosure of information about fair value measurements shall be provided by the general type of plan asset.

Part III is not applicable to the Plan. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted.

Subsequent Events:

Management evaluated all activity of the Plan through October 1, 2019, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

NOTE C – INFORMATION CERTIFIED BY TRUSTEE

The plan administrator has elected the method of compliance permitted pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations and Disclosures under the Employment Retirement Income Security Act of 1974. Accordingly, Mid-Atlantic Trust Company, the plan trustee, has certified that all of the investments and investment-related activity presented in the statements of net assets available for benefits, statements of changes in net assets available for benefits, and the supplemental schedule of assets held for investment purposes are complete and accurate. Such information has not been audited by independent auditors except for comparing such information with the related information included in the financial statements and supplemental schedule as of December 31, 2018 and 2017 and for the years then ended.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE C – INFORMATION CERTIFIED BY TRUSTEE (CONTINUED)

The following investment information included in the accompanying financial statements and supplemental schedules was obtained from data prepared and certified to as complete and accurate to the best of its knowledge by the custodian as of December 31:

	<u>2018</u>	<u>2017</u>
Investments at Fair Value:		
Mutual Funds	<u>\$ 496,947</u>	<u>\$ 588,141</u>

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC 820 requires the Plan to classify its assets and liabilities based on valuation methods using three inputs. Level 1 inputs are based on quoted prices in active markets for identical investments. Level 2 inputs are based on significant observable market inputs, such as quoted prices for similar investments and quoted prices in inactive markets. Level 3 inputs are based on significant unobservable inputs that reflect the Plan's determination of assumptions that market participants might reasonably use in valuing the investments. The valuation inputs are not necessarily an indication of risk or liquidity associated with the underlying investments.

Level 1 Fair Value Measurements

The fair value of the investment in self-directed investment accounts and self-directed brokerage accounts is valued at the share prices of net assets value (NAV) of the shares held by the Plan at year end.

Level 2 Fair Value Measurements

The fair value of the investment in common/collective trust is based on the number of units the Plan holds times the unit value as determined by the trustee of the fund. The value of each unit is determined by adding the value of all of the fund's assets, subtracting all accrued expenses and liabilities and dividing by the number of units outstanding. These investment funds do not impose a redemption fee if individual participant accounts are moved in and out. However, there are restrictions on the full liquidation of the investment in common/collective trust at NAV by the Plan.

Level 3 Fair Value Measurements

None Present.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

	<u>Assets at Fair Value</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 480,772	\$ 16,175	\$ 0	\$ 496,947

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

	<u>Assets at Fair Value</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Investments at fair value:				
Mutual funds	\$ 571,135	\$ 17,006	\$ 0	\$ 588,141

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$42,623 during 2018 and appreciated in value by \$54,063 during 2017.

NOTE E – INCOME TAXES

The Internal Revenue Service has ruled in a letter dated March 10, 2014 that the Plan, as the designed, qualified under Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, not subject to federal income taxes. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes had been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more than likely would not be sustained upon examination by the applicable taxing authorities. The Plan administrator has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for the years prior to 2015.

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT SERVICES COMPANY 401K PROFIT SHARING PLAN & TRUST

December 31, 2018 and 2017

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

SCHEDULE H, ITEM 4i -
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

MANAGEMENT SERVICES COMPANY 401 K PROFIT
SHARING PLAN & TRUST

EIN: 34-1426629
PLAN NUMBER: 001

December 31, 2018

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N/A	Vanguard Federal Money Market Fund	N/A	16,175
N/A	Vanguard Growth Index Admiral	N/A	29,776
N/A	Vanguard Inflation-Protected Secs Admiral	N/A	38,324
N/A	Vanguard Mid Cap Index Admiral	N/A	21,327
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N/A	Vanguard Target Retirement Income Fund	N/A	70,037
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N/A	Vanguard Target Retirement 2055 Fund	N/A	193
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N/A	Vanguard Total Stock Mkt Index Admiral	N/A	29,092
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	Notes receivable from participants (Interest at 4.25 - 6.00%)	\$ 0	38,039
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