# 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
DISTRICT ENERGY HOLDINGS 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 12/30/2009

**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)
DISTRICT ENERGY HOLDINGS LP

200 WEST JACKSON BLVD., SUITE 1310
CHICAGO, IL 60606

**2b** Employer Identification Number (EIN) 46-4148018

**2c** Plan Sponsor's telephone number 312-447-1600

**2d** Business code (see instructions) 221300

**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 | PHILLIP HYMEL |
| | **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:
**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 | **6a(1)** | 126 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 123 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 20 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 143 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 143 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 139 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2F 2E 2G 2J 2K 2T 3D 3H

**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)** | [X] | 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)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

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

**b General Schedules**

| | | |
|---|---|---|
| **(1)** | [X] | **H** (Financial Information) |
| **(2)** | [ ] | **I** (Financial Information – Small Plan) |
| **(3)** | [ ] | **A** (Insurance Information) |
| **(4)** | [X] | **C** (Service Provider Information) |
| **(5)** | [ ] | **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) | 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
DISTRICT ENERGY HOLDINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
DISTRICT ENERGY HOLDINGS LP

**D** Employer Identification Number (EIN)
46-4148018

## 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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

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

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

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

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

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

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

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (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? |
|---|---|---|---|---|---|---|
| 37 60 64 65 | RECORDKEEPER | 3200 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| BAIRD CORE PLUS INV - US BANCORP F<br><br>39-0281260 | 0.27% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| INVS DIVRS DIVD R5 - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046 | 0.35% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| J H ENTERPRISE T - JANUS SERVICES<br><br>43-1804048 | 0.35% |

**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 |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| OAKMARK EQ & INC INV - DST ASSET M<br>PO BOX 219432<br>KANSAS CITY, MO 64121 | 0.35% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| VICTORY S ESTB VAL A - FIS INVESTO<br>4249 EASTON WAY, SUITE 400<br>COLUMBUS, OH 43219 | 0.50% |

| **(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**

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

**A** Name of plan
DISTRICT ENERGY HOLDINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
DISTRICT ENERGY HOLDINGS LP

**D** Employer Identification Number (EIN)
46-4148018

## 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 | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 87904 | 359625 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 288861 | 346440 |
| **(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) | 8613583 | 9616404 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** | Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 8990348 | 10322469 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | 0 |
| **h** | Operating payables | 1h | 0 | 0 |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | 0 | 0 |
| **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 | 8990348 | 10322469 |

## 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) | 648975 | |
| | **(B)** Participants | 2a(1)(B) | 1345587 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 439779 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2434341 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 3696 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 18146 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 21842 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 632197 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 632197 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(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) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(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) | | -1318727 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1769653 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 425089 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 425089 |
| f Corrective distributions (see instructions) | 2f | | 9243 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 3200 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 3200 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 437532 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 1332121 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (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: POSTLETHWAITE & NETTERVILLE, A PROF **(2)** EIN: 72-1202445

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

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

## Part IV Compliance Questions

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

During the plan year:

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

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

**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
DISTRICT ENERGY HOLDINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
DISTRICT ENERGY HOLDINGS LP

**D** Employer Identification Number (EIN)
46-4148018

## 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): 04-6568107

**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):

# DISTRICT ENERGY HOLDINGS 401(K) PLAN

# FINANCIAL STATEMENTS

# DECEMBER 31, 2018

Postlethwaite & Netterville
A Professional Accounting Corporation
pncpa.com

# DISTRICT ENERGY HOLDINGS 401(K) PLAN

# FINANCIAL STATEMENTS

# DECEMBER 31, 2018

**TABLE OF CONTENTS**


| | Page |
|---|---|
| REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS | 1 – 2 |
| STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS – December 31, 2018 and 2017 | 3 |
| STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS – For the year ended December 31, 2018 | 4 |
| NOTES TO FINANCIAL STATEMENTS | 5 - 10 |
| SUPPLEMENTAL SCHEDULE | |
| Item 4(i) – Schedule of Assets (Held at End of Year) | 11 |

Postlethwaite & Netterville

30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

*A Professional Accounting Corporation*

# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Plan Administrators
of the District Energy Holdings 401(k) Plan

## Report on the 2018 Financial Statements

We were engaged to audit the accompanying financial statements of the District Energy Holdings 401(k) Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2018, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility on the 2018 Financial Statements

Our responsibility is to express an opinion on the 2018 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 were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion on the 2018 Financial Statements

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 investments and related investment income and notes receivable from participants, which were certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2018 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 year ended December 31, 2018, that the information provided to the Plan administrator by the trustee is complete and accurate.

Postlethwaite & Netterville

Disclaimer of Opinion on the 2018 Financial Statements

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 the 2018 financial statements.

Other Matter – Supplementary Information

The supplemental schedule of assets (held at end of year) as of December 31, 2018 is required by the Department of Labor's (DOL) 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 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 2018 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

**Accountant's Compilation Report on 2017 Financial Statement**

Management is responsible for the accompanying statement of net assets available for benefit of the District Energy Holdings 401(k) Plan as of December 31, 2017, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

Postlethwaite & Netterville

Metairie, Louisiana
October 11, 2019

**DISTRICT ENERGY HOLDINGS 401(K) PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**DECEMBER 31, 2018 AND 2017**

| | 2018 | (Compiled) 2017 |
|---|---|---|
| Assets: | | |
| Investments, at fair value | | |
| Money market fund | $ 359,625 | $ 87,904 |
| Mutual funds | 9,616,404 | 8,613,583 |
| | 9,976,029 | 8,701,487 |
| Receivables: | | |
| Notes receivable from participants | 346,440 | 288,861 |
| Participant contributions | 49,252 | 37,290 |
| Employer contributions | 22,588 | 18,140 |
| | 418,280 | 344,291 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 10,394,309 | $ 9,045,778 |

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

**DISTRICT ENERGY HOLDINGS 401(K) PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| | |
|---|---|
| Additions to net assets attributed to: | |
| Investment income (loss): | |
| Net depreciation in fair value of investments | $ (1,318,727) |
| Interest and dividend income | 635,893 |
| Net investment loss | (682,834) |
| Interest income on notes receivable from participants | 18,146 |
| Contributions: | |
| Participants | 1,357,549 |
| Employer | 653,423 |
| Rollover | 439,779 |
| | 2,450,751 |
| Total additions | 1,786,063 |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | 434,332 |
| Administrative expenses | 3,200 |
| Total deductions | 437,532 |
| Net change | 1,348,531 |
| Net assets available for benefits: | |
| Beginning of year | 9,045,778 |
| End of year | $ 10,394,309 |

The accompanying notes are an integral part of this financial statement.

# DISTRICT ENERGY HOLDINGS 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### 1. Description of Plan

The following description of the District Energy Holdings 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all employees of District Energy Holdings, LP (the Company), except for certain excluded employees, as defined by the Plan. In addition, BIF II District Energy Holdings III (Delaware) LLC, Brookfield District Energy USA, LLC, Enwave USA Chicago LLC, Enwave Los Angeles Inc., and Enwave Las Vegas LLC are related employers participating in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, participants may contribute up to 90% of pretax annual compensation, but not to exceed the maximum amount allowed by IRS limitations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Company has elected to operate as a Safe Harbor Plan. Under the Safe Harbor Plan, the Company will make safe harbor matching contributions in an amount equal to 100% of participant deferrals up to 5% of the participant's compensation. The Company may elect to make a discretionary matching contribution and a discretionary non-elective contribution in an amount determined annually by the Company. The Company’s safe harbor matching contributions totaled $653,423 for 2018. There were no discretionary matching contributions or discretionary non-elective contributions made to the Plan during 2018. Participants direct the investment of contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participant Accounts: Each participant’s account is credited with the participant’s contribution and the Company's matching contribution and Plan earnings. Participants are charged with an allocation of administrative expenses that are charged to the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions, safe harbor matching contributions, discretionary matching contributions, and discretionary non-elective contributions plus actual earnings thereon. Participants with non-elective contributions from the Enwave Seattle 401(K) Plan prior to January 1, 2017 vest after three years of service.

## 1. Description of Plan (continued)

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 their account balance. The loans are secured by the vested balance in the participant's account and bear interest rates that range from 4.25% to 6.25%, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits: Upon termination of service, a participant is entitled to receive an eligible rollover distribution or a lump-sum payment equal to the value of the participant's vested interest in his or her account. If the participant's vested balance does not exceed $1,000 and the participant has terminated employment, the administrator has the discretion to pay out the full amount without the participant's consent. If the participant's vested balance does not exceed $5,000 and the account qualifies as an eligible rollover, the administrator shall directly rollover the balance into an individual retirement account.

Forfeitures: At December 31, 2018 and 2017, there was no balance in the forfeiture nonvested account.

## 2. Summary of Accounting Policies

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on 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 balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018 or 2017. If a participant does not make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

## 2. Summary of Accounting Policies (continued)

Payments of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses while expenses for items such as recordkeeping are allocated to participants. Investment-related expenses are included in net depreciation of fair value of investments.

## 3. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GAAP are described as follows:

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

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017:

*Mutual funds and money market fund*: Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan Administrator

## 3. Fair Value Measurements (continued)

believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

***Assets at Fair Value as of December 31, 2018***

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 9,616,404 | $ - | $ - | $ 9,616,404 |
| Money market fund | 359,625 | - | - | 359,625 |
| Total Assets at Fair Value | $ 9,976,029 | $ - | $ - | $ 9,976,029 |

***Assets at Fair Value as of December 31, 2017***

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 8,613,583 | $ - | $ - | $ 8,613,583 |
| Money market fund | 87,904 | - | - | 87,904 |
| Total Assets at Fair Value | $ 8,701,487 | $ - | $ - | $ 8,701,487 |

## 4. Income Tax Status

The Plan is a qualified cash or deferred arrangement established under Section 401(k) of the Internal Revenue Code and is exempt from income taxes under Section 401(a) of the Internal Revenue Code (IRC). The Plan has executed an adoption agreement using a Fidelity Volume Submitter Plan and relies on the determination letter dated March 31, 2014, issued for the standard plan. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability nor 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.

## 5. Plan Termination

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

## 6. Related Party Transactions

The Plan invests in securities managed by the trustee. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA. The Plan pays administrative fees to the trustee which totaled $3,200 for the year ended December 31, 2018 and is included in the statement of changes in net assets available for benefits.

Fidelity provides certain administrative services to the Plan pursuant to a Master Plan Services Agreement (MSA) between Fidelity and the Plan. Fidelity receives revenue from mutual fund accounts for services to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan.

## 7. Risks and Uncertainties

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

## 8. Information Prepared and Certified by the Trustee

Pursuant to 29 CFR 2520.103-8, the Plan qualified for a limited scope audit. Information relating to notes receivable from participants, investment assets, investment transactions, investment earnings, and the schedule of assets (held at end of year) was certified as complete and accurate by the trustee as of for the year ended December 31, 2018.

## 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the financial statements to the Form 5500 at December 31, 2018 and 2017:

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 10,394,309 | $ 9,045,778 |
| Less: Participant contributions receivable | (49,252) | (37,290) |
| Employer contributions receivable | (22,588) | (18,140) |
| Net assets available for benefits per the Form 5500 | $ 10,322,469 | $ 8,990,348 |

| | |
|---|---|
| Contributions per the 2018 financial statements | $ 2,450,751 |
| Net change in participant contributions receivable | (11,962) |
| Net change in employer contributions receivable | (4,448) |
| Contributions per the 2018 Form 5500 | $ 2,434,341 |

The Form 5500 is prepared on the cash basis of accounting.

## 10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 11, 2019, and determined that no additional disclosures were necessary. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTAL SCHEDULE**

**DISTRICT ENERGY HOLDINGS 401(K) PLAN**

**ITEM 4(i) - SCHEDULE OF ASSETS HELD AT END OF YEAR**

**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 | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | Fidelity Government Money Market Fund | Money Market Fund | ** | $ 359,625 |
| * | Fidelity Contrafund Fund | Mutual Fund | ** | 388,043 |
| * | Fidelity Capital & Income Fund | Mutual Fund | ** | 147,332 |
| * | Fidelity Value Fund | Mutual Fund | ** | 70,805 |
| * | Fidelity Leveraged Company Stock Fund | Mutual Fund | ** | 1,405 |
| * | Fidelity Balanced Fund | Mutual Fund | ** | 80,909 |
| * | Fidelity International Discovery Fund | Mutual Fund | ** | 132,282 |
| * | Fidelity Blue Chip Growth Fund | Mutual Fund | ** | 241,040 |
| * | Fidelity Low-Priced Stock Fund | Mutual Fund | ** | 129,422 |
| * | Fidelity Small Cap Stock Fund | Mutual Fund | ** | 94,932 |
| * | Fidelity Freedom 2010 Fund | Mutual Fund | ** | 2,137 |
| * | Fidelity Freedom 2020 Fund | Mutual Fund | ** | 1,619,733 |
| * | Fidelity Freedom 2030 Fund | Mutual Fund | ** | 1,791,870 |
| * | Fidelity Freedom 2040 Fund | Mutual Fund | ** | 482,192 |
| * | Fidelity Freedom 2015 Fund | Mutual Fund | ** | 448,909 |
| * | Fidelity Freedom 2025 Fund | Mutual Fund | ** | 1,033,736 |
| * | Fidelity Freedom 2035 | Mutual Fund | ** | 657,174 |
| * | Fidelity Freedom 2045 | Mutual Fund | ** | 204,391 |
| * | Fidelity Freedom 2050 | Mutual Fund | ** | 212,325 |
| * | Fidelity U.S. Bond Index Fund | Mutual Fund | ** | 43,882 |
| * | Fidelity 500 Index Fund | Mutual Fund | ** | 721,958 |
| * | Fidelity Freedom 2055 Fund | Mutual Fund | ** | 134,508 |
| * | Fidelity International Index Fund | Mutual Fund | ** | 134,145 |
| * | Fidelity Extended Market Index Fund | Mutual Fund | ** | 124,925 |
| * | Fidelity Freedom 2060 Fund | Mutual Fund | ** | 83,855 |
| * | Fidelity Advisor Strategic Income Fund | Mutual Fund | ** | 40,108 |
| | Janus Henderson Enterprise Fund Class T | Mutual Fund | ** | 172,698 |
| | Victory Sycamore Established Value Fund Class A | Mutual Fund | ** | 95,239 |
| | Invesco Diversified Dividend Fund R5 Class | Mutual Fund | ** | 50,184 |
| | Oakmark Equity and Income Fund Investor | Mutual Fund | ** | 141,836 |
| | Baird Core Plus Bond Fund Class Investor | Mutual Fund | ** | 134,429 |
| | | | | 9,976,029 |
| * | Participant Loans | Rates of 4.25% - 6.25% | - | 346,440 |
| | | | | $ 10,322,469 |

* Party-in-interest

** Cost omitted with respect to participant-directed transactions.

See report of independent certified public accountants.

# DISTRICT ENERGY HOLDINGS 401(K) PLAN

# FINANCIAL STATEMENTS

# DECEMBER 31, 2018

P&N
Postlethwaite & Netterville
A Professional Accounting Corporation
pncpa.com

# DISTRICT ENERGY HOLDINGS 401(K) PLAN

# FINANCIAL STATEMENTS

# DECEMBER 31, 2018

**TABLE OF CONTENTS**


| | Page |
|---|---|
| REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS | 1 – 2 |
| STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS – December 31, 2018 and 2017 | 3 |
| STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS – For the year ended December 31, 2018 | 4 |
| NOTES TO FINANCIAL STATEMENTS | 5 - 10 |
| SUPPLEMENTAL SCHEDULE | |
| Item 4(i) – Schedule of Assets (Held at End of Year) | 11 |

Postlethwaite & Netterville

30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

*A Professional Accounting Corporation*

# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Plan Administrators
of the District Energy Holdings 401(k) Plan

## Report on the 2018 Financial Statements

We were engaged to audit the accompanying financial statements of the District Energy Holdings 401(k) Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2018, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility on the 2018 Financial Statements

Our responsibility is to express an opinion on the 2018 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 were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion on the 2018 Financial Statements

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 investments and related investment income and notes receivable from participants, which were certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2018 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 year ended December 31, 2018, that the information provided to the Plan administrator by the trustee is complete and accurate.

Postlethwaite & Netterville

Disclaimer of Opinion on the 2018 Financial Statements

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 the 2018 financial statements.

Other Matter – Supplementary Information

The supplemental schedule of assets (held at end of year) as of December 31, 2018 is required by the Department of Labor's (DOL) 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 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 2018 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

**Accountant's Compilation Report on 2017 Financial Statement**

Management is responsible for the accompanying statement of net assets available for benefit of the District Energy Holdings 401(k) Plan as of December 31, 2017, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

Postlethwaite & Netterville

Metairie, Louisiana
October 11, 2019

**DISTRICT ENERGY HOLDINGS 401(K) PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**DECEMBER 31, 2018 AND 2017**

| | 2018 | (Compiled) 2017 |
|---|---|---|
| Assets: | | |
| Investments, at fair value | | |
| Money market fund | $ 359,625 | $ 87,904 |
| Mutual funds | 9,616,404 | 8,613,583 |
| | 9,976,029 | 8,701,487 |
| Receivables: | | |
| Notes receivable from participants | 346,440 | 288,861 |
| Participant contributions | 49,252 | 37,290 |
| Employer contributions | 22,588 | 18,140 |
| | 418,280 | 344,291 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 10,394,309 | $ 9,045,778 |

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

**DISTRICT ENERGY HOLDINGS 401(K) PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| | |
|---|---|
| Additions to net assets attributed to: | |
| Investment income (loss): | |
| Net depreciation in fair value of investments | $ (1,318,727) |
| Interest and dividend income | 635,893 |
| Net investment loss | (682,834) |
| Interest income on notes receivable from participants | 18,146 |
| Contributions: | |
| Participants | 1,357,549 |
| Employer | 653,423 |
| Rollover | 439,779 |
| | 2,450,751 |
| Total additions | 1,786,063 |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | 434,332 |
| Administrative expenses | 3,200 |
| Total deductions | 437,532 |
| Net change | 1,348,531 |
| Net assets available for benefits: | |
| Beginning of year | 9,045,778 |
| End of year | $ 10,394,309 |

The accompanying notes are an integral part of this financial statement.

# DISTRICT ENERGY HOLDINGS 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### 1. Description of Plan

The following description of the District Energy Holdings 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all employees of District Energy Holdings, LP (the Company), except for certain excluded employees, as defined by the Plan. In addition, BIF II District Energy Holdings III (Delaware) LLC, Brookfield District Energy USA, LLC, Enwave USA Chicago LLC, Enwave Los Angeles Inc., and Enwave Las Vegas LLC are related employers participating in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, participants may contribute up to 90% of pretax annual compensation, but not to exceed the maximum amount allowed by IRS limitations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Company has elected to operate as a Safe Harbor Plan. Under the Safe Harbor Plan, the Company will make safe harbor matching contributions in an amount equal to 100% of participant deferrals up to 5% of the participant's compensation. The Company may elect to make a discretionary matching contribution and a discretionary non-elective contribution in an amount determined annually by the Company. The Company’s safe harbor matching contributions totaled $653,423 for 2018. There were no discretionary matching contributions or discretionary non-elective contributions made to the Plan during 2018. Participants direct the investment of contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participant Accounts: Each participant’s account is credited with the participant’s contribution and the Company's matching contribution and Plan earnings. Participants are charged with an allocation of administrative expenses that are charged to the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions, safe harbor matching contributions, discretionary matching contributions, and discretionary non-elective contributions plus actual earnings thereon. Participants with non-elective contributions from the Enwave Seattle 401(K) Plan prior to January 1, 2017 vest after three years of service.

## 1. Description of Plan (continued)

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 their account balance. The loans are secured by the vested balance in the participant's account and bear interest rates that range from 4.25% to 6.25%, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits: Upon termination of service, a participant is entitled to receive an eligible rollover distribution or a lump-sum payment equal to the value of the participant's vested interest in his or her account. If the participant's vested balance does not exceed $1,000 and the participant has terminated employment, the administrator has the discretion to pay out the full amount without the participant's consent. If the participant's vested balance does not exceed $5,000 and the account qualifies as an eligible rollover, the administrator shall directly rollover the balance into an individual retirement account.

Forfeitures: At December 31, 2018 and 2017, there was no balance in the forfeiture nonvested account.

## 2. Summary of Accounting Policies

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on 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 balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018 or 2017. If a participant does not make loan repayments and the Plan administrator deems the participant loan to be in default, the participant loan balance is reduced and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document.

## 2. Summary of Accounting Policies (continued)

Payments of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses while expenses for items such as recordkeeping are allocated to participants. Investment-related expenses are included in net depreciation of fair value of investments.

## 3. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GAAP are described as follows:

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

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017:

*Mutual funds and money market fund*: Valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan Administrator

## 3. Fair Value Measurements (continued)

believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017:

***Assets at Fair Value as of December 31, 2018***

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 9,616,404 | $ - | $ - | $ 9,616,404 |
| Money market fund | 359,625 | - | - | 359,625 |
| Total Assets at Fair Value | $ 9,976,029 | $ - | $ - | $ 9,976,029 |

***Assets at Fair Value as of December 31, 2017***

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 8,613,583 | $ - | $ - | $ 8,613,583 |
| Money market fund | 87,904 | - | - | 87,904 |
| Total Assets at Fair Value | $ 8,701,487 | $ - | $ - | $ 8,701,487 |

## 4. Income Tax Status

The Plan is a qualified cash or deferred arrangement established under Section 401(k) of the Internal Revenue Code and is exempt from income taxes under Section 401(a) of the Internal Revenue Code (IRC). The Plan has executed an adoption agreement using a Fidelity Volume Submitter Plan and relies on the determination letter dated March 31, 2014, issued for the standard plan. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability nor 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.

## 5. Plan Termination

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

## 6. Related Party Transactions

The Plan invests in securities managed by the trustee. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA. The Plan pays administrative fees to the trustee which totaled $3,200 for the year ended December 31, 2018 and is included in the statement of changes in net assets available for benefits.

Fidelity provides certain administrative services to the Plan pursuant to a Master Plan Services Agreement (MSA) between Fidelity and the Plan. Fidelity receives revenue from mutual fund accounts for services to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan.

## 7. Risks and Uncertainties

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

## 8. Information Prepared and Certified by the Trustee

Pursuant to 29 CFR 2520.103-8, the Plan qualified for a limited scope audit. Information relating to notes receivable from participants, investment assets, investment transactions, investment earnings, and the schedule of assets (held at end of year) was certified as complete and accurate by the trustee as of for the year ended December 31, 2018.

## 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the financial statements to the Form 5500 at December 31, 2018 and 2017:

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 10,394,309 | $ 9,045,778 |
| Less: Participant contributions receivable | (49,252) | (37,290) |
| Employer contributions receivable | (22,588) | (18,140) |
| Net assets available for benefits per the Form 5500 | $ 10,322,469 | $ 8,990,348 |

| | |
|---|---|
| Contributions per the 2018 financial statements | $ 2,450,751 |
| Net change in participant contributions receivable | (11,962) |
| Net change in employer contributions receivable | (4,448) |
| Contributions per the 2018 Form 5500 | $ 2,434,341 |

The Form 5500 is prepared on the cash basis of accounting.

## 10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 11, 2019, and determined that no additional disclosures were necessary. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTAL SCHEDULE**

**DISTRICT ENERGY HOLDINGS 401(K) PLAN**

**ITEM 4(i) - SCHEDULE OF ASSETS HELD AT END OF YEAR**

**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 | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | Fidelity Government Money Market Fund | Money Market Fund | ** | $ 359,625 |
| * | Fidelity Contrafund Fund | Mutual Fund | ** | 388,043 |
| * | Fidelity Capital & Income Fund | Mutual Fund | ** | 147,332 |
| * | Fidelity Value Fund | Mutual Fund | ** | 70,805 |
| * | Fidelity Leveraged Company Stock Fund | Mutual Fund | ** | 1,405 |
| * | Fidelity Balanced Fund | Mutual Fund | ** | 80,909 |
| * | Fidelity International Discovery Fund | Mutual Fund | ** | 132,282 |
| * | Fidelity Blue Chip Growth Fund | Mutual Fund | ** | 241,040 |
| * | Fidelity Low-Priced Stock Fund | Mutual Fund | ** | 129,422 |
| * | Fidelity Small Cap Stock Fund | Mutual Fund | ** | 94,932 |
| * | Fidelity Freedom 2010 Fund | Mutual Fund | ** | 2,137 |
| * | Fidelity Freedom 2020 Fund | Mutual Fund | ** | 1,619,733 |
| * | Fidelity Freedom 2030 Fund | Mutual Fund | ** | 1,791,870 |
| * | Fidelity Freedom 2040 Fund | Mutual Fund | ** | 482,192 |
| * | Fidelity Freedom 2015 Fund | Mutual Fund | ** | 448,909 |
| * | Fidelity Freedom 2025 Fund | Mutual Fund | ** | 1,033,736 |
| * | Fidelity Freedom 2035 | Mutual Fund | ** | 657,174 |
| * | Fidelity Freedom 2045 | Mutual Fund | ** | 204,391 |
| * | Fidelity Freedom 2050 | Mutual Fund | ** | 212,325 |
| * | Fidelity U.S. Bond Index Fund | Mutual Fund | ** | 43,882 |
| * | Fidelity 500 Index Fund | Mutual Fund | ** | 721,958 |
| * | Fidelity Freedom 2055 Fund | Mutual Fund | ** | 134,508 |
| * | Fidelity International Index Fund | Mutual Fund | ** | 134,145 |
| * | Fidelity Extended Market Index Fund | Mutual Fund | ** | 124,925 |
| * | Fidelity Freedom 2060 Fund | Mutual Fund | ** | 83,855 |
| * | Fidelity Advisor Strategic Income Fund | Mutual Fund | ** | 40,108 |
| | Janus Henderson Enterprise Fund Class T | Mutual Fund | ** | 172,698 |
| | Victory Sycamore Established Value Fund Class A | Mutual Fund | ** | 95,239 |
| | Invesco Diversified Dividend Fund R5 Class | Mutual Fund | ** | 50,184 |
| | Oakmark Equity and Income Fund Investor | Mutual Fund | ** | 141,836 |
| | Baird Core Plus Bond Fund Class Investor | Mutual Fund | ** | 134,429 |
| | | | | 9,976,029 |
| * | Participant Loans | Rates of 4.25% - 6.25% | - | 346,440 |
| | | | | $ 10,322,469 |

* Party-in-interest

** Cost omitted with respect to participant-directed transactions.

See report of independent certified public accountants.