

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div>
	☒ a single-employer plan <div style="margin-left: 100px;">☐ a DFE (specify) _____</div>
B	This return/report is: <div style="display: flex; justify-content: space-between;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div style="display: flex; justify-content: space-between;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information —enter all requested information									
1a	Name of plan <u>RAYSER HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1b</td> <td>Three-digit plan number (PN) ▶</td> <td><u>002</u></td> </tr> <tr> <td>1c</td> <td>Effective date of plan</td> <td><u>01/01/2004</u></td> </tr> </table>	1b	Three-digit plan number (PN) ▶	<u>002</u>	1c	Effective date of plan	<u>01/01/2004</u>			
1b	Three-digit plan number (PN) ▶	<u>002</u>								
1c	Effective date of plan	<u>01/01/2004</u>								
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>RAYSER HOLDINGS, INC.</u> <u>1014 5TH AVE SE</u> <u>CEDAR RAPIDS, IA 52403</u>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">2b</td> <td>Employer Identification Number (EIN)</td> <td><u>42-0985270</u></td> </tr> <tr> <td>2c</td> <td>Plan Sponsor's telephone number</td> <td><u>319-363-1284</u></td> </tr> <tr> <td>2d</td> <td>Business code (see instructions)</td> <td><u>446110</u></td> </tr> </table>	2b	Employer Identification Number (EIN)	<u>42-0985270</u>	2c	Plan Sponsor's telephone number	<u>319-363-1284</u>	2d	Business code (see instructions)	<u>446110</u>
2b	Employer Identification Number (EIN)	<u>42-0985270</u>								
2c	Plan Sponsor's telephone number	<u>319-363-1284</u>								
2d	Business code (see instructions)	<u>446110</u>								

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/04/2020	MICHELLE JENSEN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/04/2020	MICHELLE JENSEN
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2019)
v. 190130

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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. R. PHARMACY SERVICE, INC. c Plan Name C.R. PHARMACY SERVICE, INC. EMPLOYEE STOCK OWNERSHIP PLAN	4b EIN 42-0985270 4d PN 002
5 Total number of participants at the beginning of the plan year	5 188
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) 91
a(2) Total number of active participants at the end of the plan year	6a(2) 115
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 11
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 126
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 1
f Total. Add lines 6d and 6e	6f 127
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 127
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 7
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: 2P 2Q 3I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 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 _____

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2019
		This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan RAYSER HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 RAYSER HOLDINGS, INC.	D Employer Identification Number (EIN) 42-0985270	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

(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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(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:	RSM US LLP	b EIN:	42-0714325
c Position:	ACCOUNTANT		
d Address:	1 S WACKER DR STE 800 CHICAGO, IL 60606	e Telephone:	312-384-6000

Explanation: RSM INCREASED COST.

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan RAYSER HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 RAYSER HOLDINGS, INC.	D Employer Identification Number (EIN) 42-0985270	

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	533	443
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)	4177	4177
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	12439141	12959771
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	12443851	12964391

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	3240097	3002953
k Total liabilities (add all amounts in lines 1g through 1j)	1k	3240097	3002953

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9203754	9961438
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	776131	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		776131
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)		
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)	3946966	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		3946966

		(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)		0
c Other income	2c		-168378
d Total income. Add all income amounts in column (b) and enter total	2d		4554719

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3560632	
(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)		3560632
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		236313
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)	90	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		90
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3797035

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		757684
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) ☒ Unmodified (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: BOULAY PLLP

(2) EIN: 41-0887288

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	0
4b		X	0

	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	0
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	0
e Was this plan covered by a fidelity bond?	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?		X	
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.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2019</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan RAYSER HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 RAYSER HOLDINGS, INC.		D Employer Identification Number (EIN) 42-0985270
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 3426336
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): 42-0985270		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☒ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☒ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☒ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☒ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2019 v. 190130		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Rayser Holdings, Inc. Employee Stock Ownership Plan

Financial Statements and Supplemental Schedule

December 31, 2019 and 2018



Rayser Holdings, Inc. Employee Stock Ownership Plan

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Independent Auditor's Report

To the Board of Trustees
Rayser Holdings, Inc. Employee Stock Ownership Plan
Cedar Rapids, Iowa

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Rayser Holdings, Inc. Employee Stock Ownership Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2019, and the changes in net assets available for benefits for the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America (U.S GAAP).

Independent Auditor's Report

Report on Supplemental Information

Our audit of the Plan's financial statements as of and for the year ended December 31, 2019 was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, Schedule H, Item 4i - Schedule of Assets (Held at End of Year), is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter - 2018 Financial Statements

The financial statements of the Plan as of and for the year ended December 31, 2018 were audited by predecessor auditors. Their report, dated October 2, 2019, indicated that the financial statements presented fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Boulay PLLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
July 31, 2020

Rayser Holdings, Inc. Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits

	December 31, 2019		
	Allocated	Unallocated	Total
Assets			
Cash	\$ 443	\$ -	\$ 443
Investments, at fair value			
Rayser Holdings, Inc. Common Stock	6,000,782	6,958,989	12,959,771
Other receivable	4,176	-	4,176
Total assets	6,005,401	6,958,989	12,964,390
Liabilities			
Notes payable	-	3,002,953	3,002,953
Net Assets Available for Benefits	\$ 6,005,401	\$ 3,956,036	\$ 9,961,437

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

Rayser Holdings, Inc. Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits

	December 31, 2018		
	Allocated	Unallocated	Total
Assets			
Cash	\$ 533	\$ -	\$ 533
Investments, at fair value			
Rayser Holdings, Inc. Common Stock	7,065,966	5,373,175	12,439,141
Other receivable	4,177	-	4,177
Total assets	7,070,676	5,373,175	12,443,851
Liabilities			
Notes payable	-	3,240,097	3,240,097
Net Assets Available for Benefits	\$ 7,070,676	\$ 2,133,078	\$ 9,203,754

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

Rayser Holdings, Inc. Employee Stock Ownership Plan

Statements of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2019	Allocated	Unallocated	Total
Additions to Net Assets			
Contributions			
Employer	\$ 302,675	\$ 473,457	\$ 776,132
Investment income			
Net appreciation in fair value of Rayser Holdings, Inc.			
Common Stock	1,593,907	2,353,059	3,946,966
Allocation of 16,720 shares of common stock of Rayser Holdings, Inc., at fair value	767,245	-	767,245
Total additions	2,663,827	2,826,516	5,490,343
Deductions from Net Assets			
Distributions to participants	302,674	-	302,674
Shares redeemed by Rayser Holdings, Inc.	3,426,336	-	3,426,336
Interest expense	-	236,313	236,313
Administrative expense	92	-	92
Allocation of 18,298 shares of common stock of C.R. Pharmacy Service, Inc., at estimated fair value	-	767,245	767,245
Total deductions	3,729,102	1,003,558	4,732,660
Net Increase (Decrease) in Net Assets Available for Benefits	(1,065,275)	1,822,958	757,683
Net Assets Available for Benefits - Beginning of Year	7,070,676	2,133,078	9,203,754
Net Assets Available for Benefits - End of Year	\$ 6,005,401	\$ 3,956,036	\$ 9,961,437

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

Rayser Holdings, Inc. Employee Stock Ownership Plan

Statements of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2018	Allocated	Unallocated	Total
Additions to Net Assets			
Contributions			
Employer	\$ 106,399	\$ 426,382	\$ 532,781
Investment income			
Net appreciation in fair value of Rayser Holdings, Inc.			
Common Stock	2,357,489	2,100,296	4,457,785
Allocation of 16,720 shares of common stock of Rayser Holdings, Inc., at fair value	487,555	-	487,555
Other operating revenue	2,088	-	2,088
Total additions	2,953,531	2,526,678	5,480,209
Deductions from Net Assets			
Distributions to participants	615,144	-	615,144
Interest expense	2,088	176,631	178,719
Administrative expense	86	-	86
Allocation of 16,720 shares of common stock of Rayser Holdings, Inc., at fair value	-	487,555	487,555
Total deductions	617,318	664,186	1,281,504
Net Increase (Decrease) in Net Assets Available for Benefits	2,336,213	1,862,492	4,198,705
Net Assets Available for Benefits - Beginning of Year	4,734,463	270,586	5,005,049
Net Assets Available for Benefits - End of Year	\$ 7,070,676	\$ 2,133,078	\$ 9,203,754

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

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

1. Description of Plan

The following brief description of the Rayser Holdings, Inc. Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information regarding the Plan's definitions, benefits, and eligibility requirements and other matters.

General

C.R. Pharmacy Service, Inc. and its subsidiaries, C.R. IV Service, Inc. and Rayser Holdings (collectively, the "Company") established the Plan effective January 15, 2004. The Plan operates as an employee stock ownership plan (ESOP) and is designed to comply with Section 4975 (e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 (IRC), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by C.R. Pharmacy Service, Inc. with oversight from the Plan's trustees. The stock certificates are held by an independent third party. On January 1, 2019, the Plan name was changed from the C.R. Pharmacy Service, Inc. Employee Stock Ownership Plan to the Rayser Holdings, Inc. Employee Stock Ownership Plan.

The Plan purchased shares of the Company's common stock using the proceeds of notes payable to the Company and its eight former stockholders. The notes are scheduled to be repaid over a period of 20 to 30 years by fully deductible Company contributions to the trust and dividends paid on the Company's common stock. As the Plan makes each payment, an appropriate percentage of stock will be allocated to eligible employee's accounts in accordance with applicable regulations under the IRC.

The unallocated shares of Company stock collateralize the borrowings. The lenders have no rights against the shares once they are allocated under the ESOP. Accordingly, the accompanying financial statements present separately the assets and liabilities and changes therein pertaining to a) the accounts of employees with rights in allocated stock (allocated) and b) stock not yet allocated to employees (unallocated). Shares are released from collateral and become allocated generally in the period in which debt service is actually paid in cash.

Eligibility

Substantially all employees who have reached 18 years of age and are scheduled to work at least 500 hours during the Plan year are eligible to participate in the Plan. Only employees who are actively employed on the last day of the Plan year are eligible to share in the discretionary Company contribution, as well as those employees who's termination prior to year-end was due to retirement, death, or disability. Previous to January 1, 2018, employees of the Company who were age 21 and over were eligible to participate in the Plan after one year of service, provided they worked at least 1,000 hours during the Plan year.

Contributions

Company contributions are discretionary; however, each year the Company must contribute, at a minimum, an amount at least equal to the principal and interest payments on the notes payable.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Company contributions are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year.

As of each valuation date, before allocation of Company contributions for the entire Plan year and after allocation of forfeitures, if any, earnings or losses (net appreciation or depreciation) of the trust fund are allocated to each participant's account in the same proportion that the participant's nonsegregated accounts (other than each participant's Company stock account) bears to the total of all participants' nonsegregated accounts (other than each participant's Company stock account) as of such date.

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

1. Description of Plan (Continued)

Participant Accounts (Continued)

Company stock acquired by the Plan with the proceeds of an exempt loan shall only be allocated to each participant's Company stock account upon release from the unallocated Company stock suspense account. Dividends or "S corporation distributions" received with respect to shares in the unallocated Company stock suspense account shall be allocated to each participant based upon the proportion that each participant's compensation for the Plan year bears to the total of all participants' compensation for the Plan year. Such dividend or other income may, at the discretion of the Company, be used to repay an exempt loan.

Vesting

Benefits are fully vested if a participant terminates under normal retirement, death, or disability. If a participant's employment with the Company ends for any other reason, the account will vest 20% after the second year of qualifying service, and vesting will increase at the rate of 20% per year thereafter until fully vested after six years of qualifying service.

During the year ended December 31, 2018, the Company sold their retail pharmacy locations. This sale resulted in greater than 20% of participating employees being terminated and a partial plan termination. All affected participants became fully vested in their Plan accounts if they were terminated as a result of this sale.

Forfeited Accounts

Forfeitures may be made available to reinstate previously forfeited balances of former participants, if any, or may be used to satisfy any required contribution due or may be used to pay Plan administrative expenses. Any remaining forfeitures shall be allocated each year among the participants in the same proportion that each participant's eligible compensation for the year bears to the total eligible compensation of all participants for the year. Forfeitures allocated to participants totaled approximately \$43,000 and \$80,000 for the years ended December 31, 2019 and 2018, respectively.

Distributions

No distributions from the Plan will be made until a participant retires, dies, or otherwise terminates employment with the Company (except for diversifications). Distributions will be in a lump sum or installments over a certain period. The period over which such installment payments are to be made shall not extend beyond the earlier of the participant's life expectancy or five years. Plan provisions provide to pay out all vested account balances under \$5,000 for terminated participants even when a distribution election form is not completed. Distributions of a participant's benefit may be made in cash or Company stock, except as restricted in the Company charter/by-laws or by the administrator. The Company's charter/by-laws restrict the ownership of Company stock to participants or a qualified pension, profit sharing or stock bonus trust. Because the Company is an S corporation, the administrator may distribute a participant's account entirely in cash without granting the participant the right to demand distribution in shares of Company stock or may subject a distribution in shares of Company stock to an immediate, mandated put to the Company or ESOP.

Diversification

Diversification is offered to participants close to retirement so they may have the opportunity to move part of the value of their investment in Company stock into investments, which are more diversified. Participants who are at least 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account if it exceeds \$500. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify will receive a cash distribution or have the ability to rollover funds into a qualified defined contribution plan maintained by the Company.

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

1. Description of Plan (Continued)

Administrative Expenses

Substantially all administrative expenses, including audit, trust, and recordkeeping fees, are paid by the Company. Investment transaction fees are paid by the Plan.

Plan Termination

The Plan has the right to amend, in whole or in part, any or all of the provisions of the Plan at any time. Additionally, the Plan has the right to discontinue its contributions at any time and terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In the event of Plan termination, assets of the Plan will continue to be used to provide benefits until no assets remain in the Plan.

Put Option

Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Voting Rights

The Trustee shall vote all Company stock held by it as part of the Plan assets. Provided, however, that if any agreement entered into by the trust provides for voting of any shares of Company stock pledged as security for any obligation of the Plan, then such shares of Company stock shall be voted in accordance with such agreement. If the Trustee does not timely receive voting directions from a participant or beneficiary with respect to any Company stock allocated to that participant's or beneficiary's Company stock account, the Trustee shall vote such Company stock. Each participant is entitled to direct the Trustee as to the manner in which voting rights on shares of Company stock, which are allocated to his or her account, are to be exercised with respect to certain corporate matters, which involves the voting of such shares.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include the valuation of the Rayser Holdings, Inc. common stock. Accordingly, actual results may differ from those estimates.

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. In addition, on January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The pandemic in the United States and throughout the world has resulted in substantial volatility in financial markets. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will continue to 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 and the Statement of Changes in Net Assets Available for Benefits.

Investment Valuation

The investment in Rayser Holdings, Inc. (employer stock) is stated at fair value. Fair value is the amount 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 a discussion of fair value measurement.

Net appreciation (depreciation) in the fair value of investment in employer stock is based on a valuation of the Company's stock. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method.

Income Recognition

The Plan recognizes contributions as they are declared by the Company. Investment gains and losses are recognized when investments are sold and upon changes in the unrealized appreciation or depreciation of investments held. Distributions of benefits are recorded when paid. Annual audit of the Plan and fees for appraisal of the Company's stock is paid by the Company. Administrative expenses related to participant distributions are paid by the Plan whereas other administrative fees are paid by the Company.

Payment of Benefits

Benefit payments are recorded when paid.

Fair Value of Financial Instruments

The Plan's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adheres to the FASB 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Plan at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level 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.

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

The following is a description of the valuation methodology used for the assets measured at fair value at December 31, 2019 and 2018:

- The fair value of the Rayser Holdings, Inc. common stock was determined by an independent third-party appraisal. Methods for the valuation included discounted cash-flow, guideline public company, acquisition market data, and adjusted net asset methods.

The methods described above include significant estimates and may produce a fair value calculation which may change in the near term and which may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Recently Issued but Not Adopted Accounting Pronouncement

In August 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-13, Fair Value Measurement - Disclosure Framework (Topic 820). The updated guidance improves the disclosure requirements on fair value measurements. The updated guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for any removed or modified disclosures. Management is currently assessing the timing and impact of adopting the updated provisions.

Subsequent Events

The Plan has evaluated subsequent events for recording or disclosure in the financial statements through July 31, 2020, the date which the financial statements were available to be issued.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provided temporary relief for retirement plan sponsors and their participants with respect to employer contributions, distributions, and participant loans. The provisions of the CARES Act may be effective and operationalized immediately, prior to amending the plan document.

3. Fair Value Measurements

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value:

December 31, 2019	Fair Value Carrying Amount in the Statement of Net Assets Available for Benefits	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Rayser Holdings, Inc. common stock	\$ 12,959,771	\$ -	\$ -	\$ 12,959,771
Totals	\$ 12,959,771	\$ -	\$ -	\$ 12,959,771

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

3. Fair Value Measurements (Continued)

December 31, 2018	Fair Value Carrying Amount in the Statement of Net Assets Available for Benefits	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Rayser Holdings, Inc. common stock	\$ 12,439,141	\$ -	\$ -	\$ 12,439,141
Totals	\$ 12,439,141	\$ -	\$ -	\$ 12,439,141

The table below sets forth a summary of changes in fair value of the Plan's level 3 assets for the years ended December 31:

	2019	2018
Balance at beginning of year	\$ 12,439,141	\$ 8,490,101
Unrealized appreciation of investments	3,946,966	4,457,785
Distribution of 27,191 shares	-	(508,745)
Redemption of 117,501 shares	(3,426,336)	-
Balance at end of year	\$ 12,959,771	\$ 12,439,141

Gains and losses (realized and unrealized) included in changes for net assets available for benefits for the year ended December 31, 2019 are reported in net appreciation in fair value of common stock. At December 31, 2019 and 2018, the Plan owned 309,081 and 426,582 shares, respectively, of Company common stock.

4. Notes Payable

The Plan has a note payable to the Company with a balance of approximately \$572,000 and \$693,000 at December 31, 2019 and 2018, respectively. The note is due in annual installments through 2023. The Plan prepaid a portion of the principal and made interest only payments through 2016, with regularly scheduled principal and interest payments starting in 2017. Interest on the note is subject to adjustment every five years based on the prime interest rate plus 1.5%. The effective interest rate was 7.5% and 7.0% for December 31, 2019 and 2018, respectively. Unallocated shares of Company stock collateralize the notes.

The Plan also has notes payable with former stockholders of the Company with a combined balance of approximately \$2,431,000 and \$2,547,000 at December 31, 2019 and 2018, respectively. The notes are due in quarterly installments totaling \$71,080 through 2023. Interest on the notes is subject to adjustment every five years based on the prime interest rate plus 2%. The effective interest rate at December 31, 2019 and 2018 is 7.5%. Unallocated shares of Company stock collateralize the notes.

Rayser Holdings, Inc. Employee Stock Ownership Plan

Notes to the Financial Statements

December 31, 2019 and 2018

4. Notes Payable (Continued)

Scheduled maturities and payments of these notes are as follows at December 31, 2019:

Years ending:	
2020	\$ 211,483
2021	249,223
2022	267,463
2023	287,041
2024	139,090
After 2024	1,848,653
Total	\$ 3,002,953

5. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated December 19, 2016, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan Administrator believes the Plan and trust are operating in a manner that did not jeopardize this tax status.

Accounting principles generally accepted in the United States of America requires 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. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

6. Party-In-Interest Transactions

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are related-party and party-in-interest transactions. The Plan also has a number of service providers and such providers are parties-in-interest under ERISA.

Rayser Holdings, Inc. Employee Stock Ownership Plan

Schedule of Assets (Held at End of Year)

EIN: 42-0985270, Plan Number: 002

December 31, 2019

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer	Description of Investment	Cost	Current Value
*	Rayser Holdings, Inc.	Common Stock par value (1) (309,081 shares)	\$ 4,175,345	\$ 12,959,771

(1) Section 7.10 of the Bylaws of Rayser Holdings, Inc. restricts transferability of its capital stock

* Indicates a party-in-interest.

See independent auditor's report.