

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 2019 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:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ☐	
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</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>DAK ENTERPRISES, INC.</u> <u>5930 WILCOX PLACE, SUITE G</u> <u>DUBLIN, OH 43016</u>		1c Effective date of plan <u>01/01/2017</u>	2b Employer Identification Number (EIN) <u>20-1960586</u>
		2c Plan Sponsor's telephone number <u>614-588-0498</u>	2d Business code (see instructions) <u>326100</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.	<u>09/28/2020</u>	<u>BRAD L. WILLIAMS</u>
	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

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 154
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 144 6a(2) 128 6b 0 6c 22 6d 150 6e 1 6f 151 6g 150 6h 30
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: 2I 2O 2Q 3F b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

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

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 _____

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 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 DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 DAK ENTERPRISES, INC.		D Employer Identification Number (EIN) 20-1960586

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	718965
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(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)	629340	594660
(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	629340	1313625

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	0	718965
i Acquisition indebtedness	1i	14535294	14215484
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	14535294	14934449

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	-13905954	-13620824
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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)	719417	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		719417
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-34680	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-34680

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		684737

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	452	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		452
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		399155
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		399607

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		285130
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ 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: **HOLBROOK & MANTER, INC.**

(2) EIN: **31-0998651**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?	X		100000
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.)

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 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 DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 DAK ENTERPRISES, INC.		D Employer Identification Number (EIN) 20-1960586
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 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 _____

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2019 AND 2018

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*All other financial schedules required by Section 2520.103-10 of the U.S. Department of Labor's Annual Reporting and Disclosure Requirements under the Employee Retirement Income Security Act of 1974 are not included because they are not applicable.



INDEPENDENT AUDITORS' REPORT

Board of Trustees
DAK Enterprises, Inc.
Employee Stock Ownership Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the DAK Enterprises, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 Plan'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 Plan'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.

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OHIO SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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 2018, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of (1) Schedule H, Line 4i-Schedule of Assets (Held at End of Year) as of December 31, 2019 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 Plan 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.



Certified Public Accountants

Columbus, Ohio
September 25, 2020

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018

	2019			2018		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Assets:						
Company contribution receivable	\$ 718,965	\$ 0	\$ 718,965	\$ 0	\$ 0	\$ 0
Investment in DAK Enterprises, Inc. common stock, at estimated fair value	<u>88,609</u>	<u>506,051</u>	<u>594,660</u>	<u>74,651</u>	<u>554,689</u>	<u>629,340</u>
Total assets	<u>807,574</u>	<u>506,051</u>	<u>1,313,625</u>	<u>74,651</u>	<u>554,689</u>	<u>629,340</u>
Liabilities:						
Operating payable	0	718,965	718,965	0	0	0
Loan payable	<u>0</u>	<u>14,215,484</u>	<u>14,215,484</u>	<u>0</u>	<u>14,535,294</u>	<u>14,535,294</u>
Total liabilities	<u>0</u>	<u>14,934,449</u>	<u>14,934,449</u>	<u>0</u>	<u>14,535,294</u>	<u>14,535,294</u>
Total net assets available for benefits	<u>\$ 807,574</u>	<u>\$ (14,428,398)</u>	<u>\$ (13,620,824)</u>	<u>\$ 74,651</u>	<u>\$ (13,980,605)</u>	<u>\$ (13,905,954)</u>

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

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019		
	Allocated	Unallocated	Total
Additions:			
Contributions-Company	\$ 718,965	\$ 0	\$ 718,965
Other	452	0	452
Allocations of 3,099.6931 shares of common stock of DAK Enterprises, Inc., at estimated fair value	18,071	0	18,071
Unrealized change in estimated fair value of investment	(4,113)	(30,567)	(34,680)
Total additions	<u>733,375</u>	<u>(30,567)</u>	<u>702,808</u>
Deductions:			
Distributions to participants	452	0	452
Interest expense	0	399,155	399,155
Allocations of 3,099.6931 shares of common stock of DAK Enterprises, Inc., at estimated fair value	0	18,071	18,071
Total deductions	<u>452</u>	<u>417,226</u>	<u>417,678</u>
Net change in net assets available for benefits	732,923	(447,793)	285,130
Net assets available for benefits at beginning of year	<u>74,651</u>	<u>(13,980,605)</u>	<u>(13,905,954)</u>
Net assets available for benefits at end of year	<u>\$ 807,574</u>	<u>\$ (14,428,398)</u>	<u>\$ (13,620,824)</u>

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

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		
	Allocated	Unallocated	Total
Additions:			
Contributions-Company	\$ 720,898	\$ 0	\$ 720,898
Other	500	0	500
Allocations of 3,100.0333 shares of common stock of DAK Enterprises, Inc., at estimated fair value	19,127	0	19,127
Allocations of stock purchase of 8,999 shares of DAK Enterprises, Inc. common stock on January 31, 2018	1,355,962	0	1,355,962
Unrealized depreciation in estimated fair value of investment	(2,019,816)	(13,608,318)	(15,628,134)
Total additions (loss)	<u>76,671</u>	<u>(13,608,318)</u>	<u>(13,531,647)</u>
Deductions:			
Distributions to participants	1,933	0	1,933
Interest expense	0	353,160	353,160
Fees	87	0	87
Allocations of 3,100.0333 shares of common stock of DAK Enterprises, Inc., at estimated fair value	0	19,127	19,127
Allocations of stock purchase of 8,999 shares of DAK Enterprises, Inc. common stock on January 31, 2018	<u>0</u>	<u>1,355,962</u>	<u>1,355,962</u>
Total deductions	<u>2,020</u>	<u>1,728,249</u>	<u>1,730,269</u>
Net change in net assets available for benefits	74,651	(15,336,567)	(15,261,916)
Net assets available for benefits at beginning of year	<u>0</u>	<u>1,355,962</u>	<u>1,355,962</u>
Net assets available for benefits at end of year	<u>\$ 74,651</u>	<u>\$ (13,980,605)</u>	<u>\$ (13,905,954)</u>

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

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the DAK Enterprises, Inc. Employee Stock Ownership Plan (the Plan), provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions. The provisions of the Plan became effective on January 1, 2017. Effective January 31, 2018, an Employee Stock Ownership Trust (the Trust) was created with the Plan, at which time; the Plan became a leveraged ESOP.

General

The Plan is a defined contribution employee stock ownership benefit plan (ESOP) covering all employees of DAK Enterprises, Inc. and its participating employers, DK Manufacturing Lancaster, Inc. and DK Manufacturing Frazeysburg, Inc. (the Company). If a participant was employed by the Company on or before December 31, 2017, then that participant was able to participate in the Plan. If the participant was hired after December 31, 2017, then the participant can participate in the Plan following six months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's assets are held in a trust by the Trustees of the Plan. The Trustees also hold and manage Employer contributions and administer the repayment of interest and principal on the loan payable, which is reimbursed to the trust fund through contributions made by the Company.

Funding

Funding is provided by annual Company contributions. Each year, the Company may make a discretionary contribution to the Plan. A participant must complete a year of service during the Plan year and be actively employed on the last day of the Plan year to share in any discretionary contributions made for such Plan year. However, participants that entered the Plan during the Plan year ending December 31, 2017, shall share in the allocations made with respect to Company contributions accrued for the Plan year ending December 31, 2017, whether or not they were actively employed on the last day of the Plan year, or completed a year of service for the Plan year in which such allocation was made. A participant will have completed a year of service for purposes for sharing in Company contributions if they have worked 1,000 hours during the Plan year. Contributions by the participants are neither required nor permitted.

The Company made contributions of \$718,965 and \$720,898 to the Plan for the years ending December 31, 2019 and 2018, respectively.

Participant Accounts

Individual account balances are maintained for each participant. Account balances are adjusted annually at the end of the Plan year as follows:

Company contributions and forfeitures are allocated on the last day of the Plan year. To receive an allocation, an employee must be employed on the last day of the Plan year unless the employee is at retirement age or except for the Plan year ending December 31, 2017 as noted above. The Plan allocations are based on each eligible participant's compensation compared to the total of all eligible participant's compensation. The participant must be employed on the last day of the Plan year to be eligible for any allocation of contribution or Plan forfeitures. If, however, the Plan has a loan outstanding, the proceeds, of which were used to acquire the Company stock, instead of allocating contributions directly to the participant's account as noted above, such amounts may be applied to repay the current installment due on the loan.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

All Company stock acquired by the Plan with the proceeds of a loan are maintained in a suspense account and are withdrawn and allocated to participant's accounts as the loan is paid. Company stock withdrawn from the suspense account will be allocated among participants eligible to share in the contribution for the year.

Cash dividends on Company stock in a participant's account may be used to repay a loan to the Plan. In such event, the Plan will allocate to a participant's account Company stock having a fair market value equal to the amount of cash dividends which would have otherwise been allocated to the participant's account. Cash dividends on Company stock held in the suspense account not used to repay a loan to the Plan shall however be allocated in the same manner as described above.

A pro-rata share of income, expenses, and realized and unrealized gains and losses are allocated to participants based on the percentage, which each participant's account balance at the beginning of the year bears, to the total of all participant's account balances at that date. These allocations will be made prior to allocating for any Company contributions, but after any distributions have been made for the Plan year.

Vesting

Vesting is based on years of continuous service. Participants are vested in the Company discretionary contributions under the schedule below:

<u>Years of Service</u>	<u>Percentage</u>
Less than 2 years	0%
2 years less than 3	20%
3 years less than 4	40%
4 years less than 5	60%
5 years less than 6	80%
6 years or more	100%

Participants will automatically become 100% vested upon normal retirement age, death, or becoming totally and permanently disabled.

Benefit Payments

No distributions from the Plan will be made until a participant retires, dies, becomes totally and permanently disabled, or otherwise terminates from the Company.

If a participant's vested benefit under the Plan does not exceed \$1,000, then the benefit must be distributed to the participant in a single lump-sum payment. If a participant's vested benefit under the Plan exceeds \$1,000, the participant may elect to receive a distribution under one of the following methods:

- a single lump-sum payment in cash
- in the form of substantially equal annual installments over a term of five (5) years in monthly, quarterly, semiannual, or annual installments, provided the Participant's total vested interest exceeds \$1,000. The period over which such payment is to be made shall not extend beyond the earlier of the Participant's life expectancy (or the joint life expectancy of the Participant and the Participant's "designated beneficiary") or the limited distribution period as defined in the Plan document.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Diversification

When a participant has completed ten (10) years of service and has attained age fifty-five (55), the participant will have the right to direct a portion of their account attributed to Company stock to other investments as determined by the Plan Administrator.

Forfeitures

As of December 31, 2019, there were 507.2538 shares of stock forfeited from participant accounts. As of December 31, 2018, \$193,120 in cash was forfeited from participant accounts. When there are forfeitures, they are allocated among eligible participants at the end of the Plan year in which the forfeiture occurs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared in accordance with the accrual method of accounting. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when incurred.

Use of Estimates

In preparing the Plan's financial statements, the Plan administrator is required to make estimates and assumptions that affect the reported amounts of Plan assets, liabilities, and Plan disclosures and the reported increases and reductions of Plan assets during the reporting period. Actual results could differ from these estimates.

Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Purchase and sales of securities are recorded on a trade-date basis. Interest income and dividend income, if applicable, are recorded on the accrual basis. Net appreciation and depreciation, if applicable, includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Risks

The Plan's investments are limited, and therefore, as with any investment, are exposed to various risks, such as interest rate, market/industry, and credit risks. This could result in a material effect on the net assets available for benefits.

Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock and (b) stock not yet allocated to employees, including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019 AND 2018**

All participants who entered the Plan on or before December 31, 2017 were eligible to receive the allocation of the 2017 Employer Contribution. This allocation of 8,999 shares took place on the stock purchase date of January 31, 2018.

Based on the loan payment and using the principal-and-interest method of share release, 3,099.6931 and 3,100.0333 shares were released from the ESOP suspense account and were allocated to eligible participants according to the Plan document for the years ending December 31, 2019 and 2018, respectively.

Expenses

A majority of the administrative expenses of the Plan are absorbed by the Plan Sponsor. These charges are principally for trustee, valuation, audit, and third party administration fees.

NOTE 3 - INVESTMENTS

Plan investments, which consist solely of Company common stock, are carried at fair market value. The fair market value per share of the Company's common stock, as determined by an independent appraiser, was \$5.83 and \$6.17 at December 31, 2019 and 2018, respectively.

The Plan's investment in DAK Enterprises, Inc. common stock at December 31, 2019 and 2018 is as follows:

December 31, 2019

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Number of shares	<u>15,198.7264</u>	<u>86,801.2736</u>	<u>102,000.00</u>
Cost	\$ <u>2,349,344</u>	\$ <u>13,907,717</u>	\$ <u>16,257,061</u>
Estimated fair value	\$ <u>88,609</u>	\$ <u>506,051</u>	\$ <u>594,660</u>

December 31, 2018

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Number of shares	<u>12,099.0333</u>	<u>89,900.9667</u>	<u>102,000.00</u>
Cost	\$ <u>1,852,680</u>	\$ <u>14,404,381</u>	\$ <u>16,257,061</u>
Estimated fair value	\$ <u>74,651</u>	\$ <u>554,689</u>	\$ <u>629,340</u>

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 - FAIR VALUE MEASUREMENTS

The Plan has adopted Accounting Standards Codification (ASC) No. 820, Fair Value Measurements. ASC No. 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC No. 820 are described below:

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

Level 2: Inputs to the valuation methodology include:

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

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

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

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, 2019 and 2018.

Company common stock: The Plan's investment, which consists solely of Company stock, is classified as Level 3 within the fair value hierarchy. The fair value of the Company common stock is determined by an annual independent appraisal and is therefore classified as Level 3 within the fair value hierarchy. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraisal is based on a combination of the market and income valuation approaches. The appraiser takes into account historical and projected cash flow and net earnings, weighted average cost of capital, market comparables, and applicable discounts and premiums. The appraiser prepares a preliminary report that Plan management, along with the ESOP trustees, review in detail, discuss, and approve. The results of this process are documented in minutes of the ESOP Trustees.

The Trustees determine the fair value measurement policies and procedures. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted as necessary, based on current market conditions and other third party information.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2019 and 2018:

	Company common stock- 2019	Company common stock- 2018
Beginning balance-January 1	\$ 629,340	0
Purchases, issues, sales, and settlements	0	16,257,474
Unrealized change in estimated fair value	<u>(34,680)</u>	<u>(15,628,134)</u>
Ending balance-December 31	<u>\$ 594,660</u>	<u>629,340</u>

NOTE 5 - LOAN PAYABLE

On January 31, 2018, the Plan obtained debt from the Company's two selling shareholders and the Company in the amounts \$12,160,764 and \$2,740,335, respectively. The proceeds of the loans were used to purchase Company common stock, which created a refinancing ESOP loan between the Trust and the Company (Plan Loan). Unallocated shares are collateral for the loans. Shares are released from collateral and allocated to participants as payments of principal and interest are made on the debt. The number of shares released in any year is the number of shares held as collateral, multiplied by the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in 3,099.6931 and 12,099.0333 shares being released for the Plan years ending December 31, 2019 and 2018, respectively.

The Plan Loan is to be repaid over a period of 30 years. The carrying value of the Plan Loan as of December 31, 2019 and 2018 was \$14,215,484 and \$14,535,294, respectively.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

The scheduled amortization of the loan payable for the next 5 years and thereafter is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 372,915
2021	360,443
2022	369,778
2023	379,355
2024	389,181
Thereafter	<u>12,343,812</u>
	\$ <u><u>14,215,484</u></u>

NOTE 6 - TAX STATUS

The Internal Revenue Service (the “IRS”) has determined by letter dated July 25, 2018, that the Plan is qualified under Section 4975(e)(7) of the Internal Revenue Code (the “Code”) and, accordingly, exempt from Federal income taxes. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan has been amended and restated since receiving the IRS determination letter to encompass all previous amendments. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effect of a tax position is recognized when the position is more likely than not, based on the technical merits, to 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, 2019 and 2018 and for the years then ended, that there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of termination, each participant’s account automatically becomes 100% vested. The net assets of the trust would be distributed in a form of payment as determined by the Plan.

NOTE 8 - PARTIES-IN-INTEREST TRANSACTIONS

The Company is the Plan Sponsor as defined by the Plan Agreement, and therefore, transactions with the Company qualify as party-in-interest transactions. Certain administrative functions are performed by officers or employees of the Company and these officers or employees do not receive compensation from the Plan.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 9 - SUBSEQUENT EVENTS

The Plan evaluated subsequent events through September 25, 2020, the date which the financial statements were available to be issued.

In March 2020, a novel strain of coronavirus surfaced in the United States and the COVID-19 outbreak was declared a national emergency. The COVID-19 pandemic has led to volatility in financial markets and has affected, and may continue to affect, the market price of DAK common stock. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain and cannot be predicted.

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SUPPLEMENTAL SCHEDULE - SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2019

EIN: 20-1960586

PLAN NUMBER: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including the Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
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* DAK Enterprises, Inc.

Common stock-DAK Enterprises, Inc.
common stock-102,000 shares

\$ 16,257,061 \$ 594,660

* Represents party-in-interest

DAK ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SUPPLEMENTAL SCHEDULE - SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2019

EIN: 20-1960586
PLAN NUMBER: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including the Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
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* DAK Enterprises, Inc.

Common stock-DAK Enterprises, Inc.
common stock-102,000 shares

\$ 16,257,061 \$ 594,660

* Represents party-in-interest