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

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
STRATEGIC MATERIALS EMPLOYEE RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 10/01/1990

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)
STRATEGIC MATERIALS

17220 KATY FREEWAY
SUITE 150
HOUSTON, TX 77094

2b Employer Identification Number (EIN)
76-0297116

2c Plan Sponsor's telephone number
281-647-2753

2d Business code (see instructions)
423930

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2020	KENDALL LASSEIGNE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	759
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)**	590
a(2) Total number of active participants at the end of the plan year	**6a(2)**	620
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	245
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	865
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	865
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	684
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	145
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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
STRATEGIC MATERIALS EMPLOYEE RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STRATEGIC MATERIALS

D Employer Identification Number (EIN)
76-0297116

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	37511	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

KESTRA INVESTMENT SERVICES, LLC

35-2552359

(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?
16	CONSULTANT	30915	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

CDW

PO BOX 75723
CHICAGO, IL 60675

(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?
16	CONSULTANT	15101	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ALZGI NFJ DIV VL ADM - DST ASSET M 04-0025081	0.35%

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

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
GLENMEDE SMCP EQ ADV - STATE STREE 04-0025081	0.40%

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

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
J H ENTERPRISE T - JANUS SERVICES 43-1804048	0.35%

Part I Service Provider Information (continued)

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

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

(d) Enter name and EIN (address) of source of indirect compensation		**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OAKMARK EQ & INC INV - DST ASSET M	430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.35%

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

(d) Enter name and EIN (address) of source of indirect compensation		**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OAKMARK INTL INV - DST ASSET MANAG	430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.35%

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

(d) Enter name and EIN (address) of source of indirect compensation		**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIF EQUITY INC A - PRINCIPAL SHARE	711 HIGH STREET DES MOINES, IA 50392	0.40%

Part I Service Provider Information (continued)

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

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

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIMCO TOT RETURN ADM - DST ASSET M 430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.25%

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

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
TMPL GLOBAL BOND A - FRANKLIN TEMP 94-3167260	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

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
STRATEGIC MATERIALS EMPLOYEE RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
STRATEGIC MATERIALS

D Employer Identification Number (EIN)
76-0297116

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 1

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-024	C	1191715

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

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
STRATEGIC MATERIALS EMPLOYEE RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STRATEGIC MATERIALS

D Employer Identification Number (EIN)
76-0297116

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	364380	306489
(9) Value of interest in common/collective trusts	1c(9)	1741573	1191715
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	9974757	12099127
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	12080710	13597331
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	0
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	12080710	13597331

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)	429859	
	(B) Participants	2a(1)(B)	1455529	
	(C) Others (including rollovers)	2a(1)(C)	66277	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1951665
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)	23676	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		23676
	(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)	618156	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		618156
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		60064
(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)		1683025
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		4336586
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2727691	
(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)		2727691
f Corrective distributions (see instructions)	2f		3373
g Certain deemed distributions of participant loans (see instructions)	2g		1628
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	3746	
(4) Other	2i(4)	83527	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		87273
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2819965
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1516621
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: GREEN & MCELREATH CPAS PLLC **(2)** EIN: 74-1500886

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		68624
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		2000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

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

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
STRATEGIC MATERIALS EMPLOYEE RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
STRATEGIC MATERIALS

D Employer Identification Number (EIN)
76-0297116

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

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

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

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_____

STRATEGIC MATERIALS

EMPLOYEE RETIREMENT PLAN

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

GREEN & MCELREATH CPAs PLLC
Certified Public Accountants

Robert Purnell, CPA
J. Brent Ripple, CPA

INDEPENDENT AUDITORS' REPORT

To Strategic Materials Employee Retirement Plan and Participants
Houston, Texas

Report on Financial Statements

We were engaged to audit the accompanying statements Strategic Materials Employee Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and

executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The Supplemental Schedules of Assets Held At End of Year and Schedule of Delinquent Participant Contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

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

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

Green & McElreath CPAs PLLC

Houston, Texas
October 12, 2020

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018

	2019	2018
Assets		
Investments (at fair value)		
Value of interest in registered investment companies	$ 12,099,127	$ 9,974,727
Value of interest in common/collective trusts	1,175,861	1,760,258
Total Investments	13,274,988	11,735,015
Notes receivable – participants	306,489	364,380
Total Assets	13,581,477	12,099,398
Liabilities		
Excess contributions refundable	9,453	3,473
Net assets available for benefits	$ 13,572,024	$ 12,095,922

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

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2019

	2019
Additions:	
Additions to net assets attributed to:	
Interest and dividends	$ 643,150
Interest on participant loans	23,680
Net gain (loss) on investments	1,683,556
Contributions:	
Participant	1,460,040
Employer	425,348
Other - Including rollovers and transfers	66,277
Total contributions	1,951,665
Total additions	4,302,051
Deductions:	
Administrative expenses	87,273
Excess contributions	9,455
Deemed Defaulted loans	1,632
Benefits paid to participants and transfers out of plan	2,727,589
Total deductions	2,825,949
Net increase	1,476,102
Net assets available for benefits at beginning of year	12,095,922
Net assets available for benefits at end of year	$ 13,572,024

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

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) Plan Description

The following description of Strategic Materials Employee Retirement Plan provides only general information. Participants should refer to the Plan Agreement for a complete description of the Plan's provisions.

(a) General – The Plan is a defined contribution plan covering all employees of the Company who are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions – Each year, participants may contribute up to the statutory maximum of pre-tax annual compensation as defined in the Plan. The maximum deferral amount for 2019 is $19,000 for participants under fifty years of age and an additional $6,000 for participants' age fifty and above. Participants may also contribute amounts representing distributions from other qualified plans. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 3 percent of eligible compensation and it increases by 1% each year limited to 6% unless the participant elects otherwise.

The Company contributes an amount equal to 50% of a participant's elective deferrals, up to 3% of a participant's compensation based on each payroll period after one year of service. Effective February 1, 2019, the Plan was amended to change the employer match contribution to a discretionary match. The Company determined that employer match was a tiered match of 100% of a participant's elective deferrals (deferrals) of their first 1% and 25% of the next 5% deferrals for a maximum match of 2.25% on 6% deferrals with no service requirements. Additional discretionary amounts may be contributed by the Company as profit sharing contributions. The discretionary profit-sharing contribution amount will be determined by the Company.

(c) Participant accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, or account balances as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(1) Plan Description, (continued)

(d) Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contributions portion of their accounts, plus actual earnings thereon, is based on years of continuous service. The Plan was amended on February 1, 2019, to change the participant's vesting service schedule to 50% after one year and 100% after two years of credited service. During 2018 a participant was fully vested after five years of vesting service.

(e) Investment options – The Plan's investment options include a broad range of mutual funds. Each participant is responsible for the investment decisions relating to the assets in their individual accounts under the Plan.

(f) Participant notes receivable – Participants may borrow from their fund accounts a minimum of $1,000. The maximum is the lesser of one half of the participant's vested account balance, or $50,000, reduced by the highest outstanding loan balance in the participant's account during the prior twelve-month period. The participant's vested account balance will be used as collateral for any loan. Principal and interest payments are made ratably through payroll deductions. Accounting Standards Update (ASU 2010-25) requires notes receivable from participants to be reported at unpaid principal balance plus any accrued but unpaid interest.

(g) Payment of Benefits – On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amounts equal to the value of the participant's vested interest in his or her account, or in periodic installments if the account balance is greater than $5,000. At December 31, 2019, $744,243 has been allocated to participants who have withdrawn from the Plan but have not been paid.

(h) Forfeitures – Forfeitures are allocated in the same proportion that a terminated participant's compensation bears to the total compensation of all participants. However, any forfeiture attributable to matching contributions will be used first to pay administrative expenses and any remaining amounts will be used to reduce any employer matching contributions. During 2019 and 2018, $92,270 and $30,000 respectively, of forfeited participant accounts were used to reduce the Company's administrative fees and contributions.

(1) Plan Description, (continued)

(i) Plan Administration – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting – The financial statements of the Plan are prepared using the accrual method of accounting.

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

(c) Investment Valuation and Income Recognition – The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year end.

The Plan follows the guidance In *ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* for Plans that have elected to measure the fair value using the practical expedient. The Plan's assets include investments in Collective Trust Funds which uses a net asset value per share (NAV) practical expedient for fair value measurement, as defined in ASC 820, and should be removed from the hierarchy leveling table and shown as a reconciling item. The guidance in the *ASU 2015-07* is required to be applied on a retrospective basis to all periods presented. Collective trust funds are valued using a net asset value per share (NAV) practical expedient obtained by the fund house or other investment provider.

(2) Summary of Significant Accounting Policies (continued)

Investment contracts held by a defined contribution plan are required to be reported at contract value. It is the relevant measurement attribute for that portion of the net assets available for benefits that is attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Guaranteed Portfolio Fund is a benefit responsive investment contract. Using a discounted cash flow valuation methodology, fair value of the investment contract, prior to contract termination, equals the contract value.

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Net appreciation of investments includes the Plan's gains and losses on investments bought and sold as well as those held during the year.

(d) Payment of Benefits - Distribution of benefits are recorded when paid.

(e) Excess Contributions Refundable - Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions.

(3) Income Taxes

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax period in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2016.

(4) Information Prepared and Certified by Trustee (Unaudited)

At December 31, 2019 and 2018, the Plan's investments were held by the Trustee. The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustee as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

	2019	2018
Investments at fair value:		
Investment in common/collective trust	$ 1,175,861	$ 1,760,258
Value of participant directed interest in mutual funds	12,099,127	9,974,757
Total investments at fair value	$ 13,274,988	$ 11,735,015

(5) Fair Value Measurements

The Plan’s investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different valuation 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 fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs have the highest priority and consist of unadjusted quoted prices for identical assets. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no plan assets requiring the use of Level 2 or 3 inputs for the periods presented.

(5) Fair Value Measurements (continued)

Level 1 Fair Value Measurements

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. Inputs to the methodology include: quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets.

Level 2 Fair Value Measurements

Level 2 inputs are other than quoted prices that are observable for the assets or liability including: inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

	Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Observable Inputs (Level 2)
December 31, 2019			
Mutual funds	$ 12,099,127	$ 12,099,127	$ -
Collective trust funds - measured at NAV	1,175,861		
Total investments	$ 13,274,988		
December 31, 2018			
Mutual funds	$ 9,974,757	$ 9,974,757	$ -
Collective trust funds - measured at NAV	1,760,258		
Total investments	$ 11,735,015		

In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (NAV) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(6) Investment Contract with Investment Company

The Plan entered into a benefit-responsive investment contract with Fidelity Investments. Fidelity maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Fidelity. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal, or transfer of all, or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 4 percent. Such interest rates are reviewed on a quarterly basis for resetting.

The average yield for the years ended December 31, 2019 and 2018 was 1.92% and 1.81%, respectively. The actual interest rate credited to plan participants was 2.74% and 2.54%, respectively.

Certain events limit the Plan's ability to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes, or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

(7) Plan Termination

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

(8) Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of the form 5500:

	2019	2018
Net assets available for benefits per the financial statements	$ 13,572,024	$ 12,095,922
Accrue corrective distributions	9,453	3,473
Adjustment from fair value to contract value for fully benefit responsive investment contracts	15,854	(18,685)
Net assets available for benefits per Schedule H of the form 5500	$ 13,597,331	$ 12,080,710

	2019	2018
Net increase (decrease) in assets available for benefits per the financial statements	$ 1,476,102	$ (431,677)
Accrue corrective distributions	5,980	(26,892)
Adjustment from fair value to contract value for fully benefit responsive investment contracts	34,539	(13,560)
Net increase (decrease) in net assets available for benefits per Schedule H of the form 5500	$ 1,516,621	$ (472,129)

(9) Risks and Uncertainties

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

(10) Transactions with Parties in Interest

Strategic Materials provides to the plan certain accounting and administrative services for which no fees are charged.

(11) Delinquent Participant Contributions

ERISA requires participant contributions to be remitted to the plan administrator as soon as they can be segregated and identified. There were no late remittances during the year ended December 31, 2019. There was one instance where the participant contributions and loan repayments were not remitted in a timely manner totaling $68,624 during the year ended December 31, 2018. All late contributions and lost earnings or profits were remitted to the plan prior to the end of the 2018 plan year.

(12) Subsequent Events

Management has evaluated subsequent events through October 12, 2020, the date the financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the financial statements.

(concluded)

Supplemental Schedules

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
SCHEDULE H, LINE 4i–SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FOR THE YEAR ENDED DECEMBER 31, 2019

(a)	(b) Identity of Issuer	(c) Description of Fund	(d) Cost	(e) Current Value
*	Fidelity Management Trust	Pimco Total Return		$ 338,822
*	Fidelity Management Trust	Janus Enterprise T		321,725
*	Fidelity Management Trust	Oakmark Intl I		276,101
*	Fidelity Management Trust	Temple Global Bond A		111,612
*	Fidelity Management Trust	Glenmede Sm Cap Eq Adv		85,272
*	Fidelity Management Trust	PIF Equity Inc A		84,451
*	Fidelity Management Trust	Fidelity Puritan		460,776
*	Fidelity Management Trust	Fidelity Contra Fund		1,057,410
*	Fidelity Management Trust	Fidelity Low Priced Stock		214,707
*	Fidelity Management Trust	Fidelity Freedom Income		448,579
*	Fidelity Management Trust	Fidelity Freedom 2010		176,371
*	Fidelity Management Trust	Fidelity Freedom 2015		57,874
*	Fidelity Management Trust	Fidelity Freedom 2020		1,156,948
*	Fidelity Management Trust	Fidelity Freedom 2025		1,199,149
*	Fidelity Management Trust	Fidelity Freedom 2030		1,339,674
*	Fidelity Management Trust	Fidelity Freedom 2035		860,529
*	Fidelity Management Trust	Fidelity Freedom 2040		908,870
*	Fidelity Management Trust	Fidelity Freedom 2045		559,966
*	Fidelity Management Trust	Fidelity Freedom 2050		836,118
*	Fidelity Management Trust	Fidelity Freedom 2055		324,632
*	Fidelity Management Trust	Fidelity Freedom 2060		68,809
*	Fidelity Management Trust	Fidelity Freedom 2065		3,260
*	Fidelity Management Trust	Fidelity MIP CL 1		1,175,862
*	Fidelity Management Trust	Fidelity Intl Index Pr		179,810
*	Fidelity Management Trust	Fidelity 500 Index Pr		979,411
*	Fidelity Management Trust	Fidelity Midcap Idx Pr		14,893
*	Fidelity Management Trust	Fidelity Sm Cap Idx Pr		31,902
*	Fidelity Management Trust	Fidelity Freedom 2005		1,455
	Participant loans	5.25% to 7.5% interest rate		306,489
	Total			$ 13,581,477

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2019

Participant Contributions Transferred Late to the Plan	Loan Repayments Included	Total that Constitutes Nonexempt Prohibited Transactions: Contributions Not Corrected	Total that Constitutes Nonexempt Prohibited Transactions: Contribution Corrected Outside VFCP	Total that Constitutes Nonexempt Prohibited Transactions: Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$68,624	X	–	–	–	$68,624

STRATEGIC MATERIALS

EMPLOYEE RETIREMENT PLAN

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

GREEN & MCELREATH CPAs PLLC
Certified Public Accountants

Robert Purnell, CPA
J. Brent Ripple, CPA

INDEPENDENT AUDITORS' REPORT

To Strategic Materials Employee Retirement Plan and Participants
Houston, Texas

Report on Financial Statements

We were engaged to audit the accompanying statements Strategic Materials Employee Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and

executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The Supplemental Schedules of Assets Held At End of Year and Schedule of Delinquent Participant Contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

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

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

Green & McElreath CPAs PLLC

Houston, Texas
October 12, 2020

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018

	2019	2018
Assets		
Investments (at fair value)		
Value of interest in registered investment companies	$ 12,099,127	$ 9,974,727
Value of interest in common/collective trusts	1,175,861	1,760,258
Total Investments	13,274,988	11,735,015
Notes receivable – participants	306,489	364,380
Total Assets	13,581,477	12,099,398
Liabilities		
Excess contributions refundable	9,453	3,473
Net assets available for benefits	$ 13,572,024	$ 12,095,922

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

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2019

	2019
Additions:	
Additions to net assets attributed to:	
Interest and dividends	$ 643,150
Interest on participant loans	23,680
Net gain (loss) on investments	1,683,556
Contributions:	
Participant	1,460,040
Employer	425,348
Other - Including rollovers and transfers	66,277
Total contributions	1,951,665
Total additions	4,302,051
Deductions:	
Administrative expenses	87,273
Excess contributions	9,455
Deemed Defaulted loans	1,632
Benefits paid to participants and transfers out of plan	2,727,589
Total deductions	2,825,949
Net increase	1,476,102
Net assets available for benefits at beginning of year	12,095,922
Net assets available for benefits at end of year	$ 13,572,024

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

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) Plan Description

The following description of Strategic Materials Employee Retirement Plan provides only general information. Participants should refer to the Plan Agreement for a complete description of the Plan's provisions.

(a) General – The Plan is a defined contribution plan covering all employees of the Company who are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

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(c) Participant accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, or account balances as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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(1) Plan Description, (continued)

(i) Plan Administration – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

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(2) Summary of Significant Accounting Policies (continued)

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(3) Income Taxes

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Accounting principles generally accepted in the United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax period in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2016.

(4) Information Prepared and Certified by Trustee (Unaudited)

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(5) Fair Value Measurements

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The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs have the highest priority and consist of unadjusted quoted prices for identical assets. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no plan assets requiring the use of Level 2 or 3 inputs for the periods presented.

(5) Fair Value Measurements (continued)

Level 1 Fair Value Measurements

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. Inputs to the methodology include: quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets.

Level 2 Fair Value Measurements

Level 2 inputs are other than quoted prices that are observable for the assets or liability including: inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

	Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Observable Inputs (Level 2)
December 31, 2019			
Mutual funds	$ 12,099,127	$ 12,099,127	$ -
Collective trust funds - measured at NAV	1,175,861		
Total investments	$ 13,274,988		
December 31, 2018			
Mutual funds	$ 9,974,757	$ 9,974,757	$ -
Collective trust funds - measured at NAV	1,760,258		
Total investments	$ 11,735,015		

In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (NAV) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(6) Investment Contract with Investment Company

The Plan entered into a benefit-responsive investment contract with Fidelity Investments. Fidelity maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Fidelity. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal, or transfer of all, or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 4 percent. Such interest rates are reviewed on a quarterly basis for resetting.

The average yield for the years ended December 31, 2019 and 2018 was 1.92% and 1.81%, respectively. The actual interest rate credited to plan participants was 2.74% and 2.54%, respectively.

Certain events limit the Plan's ability to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes, or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

(7) Plan Termination

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

(8) Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of the form 5500:

	2019	2018
Net assets available for benefits per the financial statements	$ 13,572,024	$ 12,095,922
Accrue corrective distributions	9,453	3,473
Adjustment from fair value to contract value for fully benefit responsive investment contracts	15,854	(18,685)
Net assets available for benefits per Schedule H of the form 5500	$ 13,597,331	$ 12,080,710

	2019	2018
Net increase (decrease) in assets available for benefits per the financial statements	$ 1,476,102	$ (431,677)
Accrue corrective distributions	5,980	(26,892)
Adjustment from fair value to contract value for fully benefit responsive investment contracts	34,539	(13,560)
Net increase (decrease) in net assets available for benefits per Schedule H of the form 5500	$ 1,516,621	$ (472,129)

(9) Risks and Uncertainties

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

(10) Transactions with Parties in Interest

Strategic Materials provides to the plan certain accounting and administrative services for which no fees are charged.

(11) Delinquent Participant Contributions

ERISA requires participant contributions to be remitted to the plan administrator as soon as they can be segregated and identified. There were no late remittances during the year ended December 31, 2019. There was one instance where the participant contributions and loan repayments were not remitted in a timely manner totaling $68,624 during the year ended December 31, 2018. All late contributions and lost earnings or profits were remitted to the plan prior to the end of the 2018 plan year.

(12) Subsequent Events

Management has evaluated subsequent events through October 12, 2020, the date the financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the financial statements.

(concluded)

Supplemental Schedules

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
SCHEDULE H, LINE 4i–SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FOR THE YEAR ENDED DECEMBER 31, 2019

(a)	(b) Identity of Issuer	(c) Description of Fund	(d) Cost	(e) Current Value
*	Fidelity Management Trust	Pimco Total Return		$ 338,822
*	Fidelity Management Trust	Janus Enterprise T		321,725
*	Fidelity Management Trust	Oakmark Intl I		276,101
*	Fidelity Management Trust	Temple Global Bond A		111,612
*	Fidelity Management Trust	Glenmede Sm Cap Eq Adv		85,272
*	Fidelity Management Trust	PIF Equity Inc A		84,451
*	Fidelity Management Trust	Fidelity Puritan		460,776
*	Fidelity Management Trust	Fidelity Contra Fund		1,057,410
*	Fidelity Management Trust	Fidelity Low Priced Stock		214,707
*	Fidelity Management Trust	Fidelity Freedom Income		448,579
*	Fidelity Management Trust	Fidelity Freedom 2010		176,371
*	Fidelity Management Trust	Fidelity Freedom 2015		57,874
*	Fidelity Management Trust	Fidelity Freedom 2020		1,156,948
*	Fidelity Management Trust	Fidelity Freedom 2025		1,199,149
*	Fidelity Management Trust	Fidelity Freedom 2030		1,339,674
*	Fidelity Management Trust	Fidelity Freedom 2035		860,529
*	Fidelity Management Trust	Fidelity Freedom 2040		908,870
*	Fidelity Management Trust	Fidelity Freedom 2045		559,966
*	Fidelity Management Trust	Fidelity Freedom 2050		836,118
*	Fidelity Management Trust	Fidelity Freedom 2055		324,632
*	Fidelity Management Trust	Fidelity Freedom 2060		68,809
*	Fidelity Management Trust	Fidelity Freedom 2065		3,260
*	Fidelity Management Trust	Fidelity MIP CL 1		1,175,862
*	Fidelity Management Trust	Fidelity Intl Index Pr		179,810
*	Fidelity Management Trust	Fidelity 500 Index Pr		979,411
*	Fidelity Management Trust	Fidelity Midcap Idx Pr		14,893
*	Fidelity Management Trust	Fidelity Sm Cap Idx Pr		31,902
*	Fidelity Management Trust	Fidelity Freedom 2005		1,455
	Participant loans	5.25% to 7.5% interest rate		306,489
	Total			$ 13,581,477

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2019

Participant Contributions Transferred Late to the Plan	Loan Repayments Included	Total that Constitutes Nonexempt Prohibited Transactions: Contributions Not Corrected	Total that Constitutes Nonexempt Prohibited Transactions: Contribution Corrected Outside VFCP	Total that Constitutes Nonexempt Prohibited Transactions: Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$68,624	X	–	–	–	$68,624

STRATEGIC MATERIALS

EMPLOYEE RETIREMENT PLAN

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

GREEN & MCELREATH CPAs PLLC
Certified Public Accountants

Robert Purnell, CPA
J. Brent Ripple, CPA

INDEPENDENT AUDITORS' REPORT

To Strategic Materials Employee Retirement Plan and Participants
Houston, Texas

Report on Financial Statements

We were engaged to audit the accompanying statements Strategic Materials Employee Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and

executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The Supplemental Schedules of Assets Held At End of Year and Schedule of Delinquent Participant Contributions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

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

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

Green & McElreath CPAs PLLC

Houston, Texas
October 12, 2020

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018

	2019	2018
Assets		
Investments (at fair value)		
Value of interest in registered investment companies	$ 12,099,127	$ 9,974,727
Value of interest in common/collective trusts	1,175,861	1,760,258
Total Investments	13,274,988	11,735,015
Notes receivable – participants	306,489	364,380
Total Assets	13,581,477	12,099,398
Liabilities		
Excess contributions refundable	9,453	3,473
Net assets available for benefits	$ 13,572,024	$ 12,095,922

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

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2019

	2019
Additions:	
Additions to net assets attributed to:	
Interest and dividends	$ 643,150
Interest on participant loans	23,680
Net gain (loss) on investments	1,683,556
Contributions:	
Participant	1,460,040
Employer	425,348
Other - Including rollovers and transfers	66,277
Total contributions	1,951,665
Total additions	4,302,051
Deductions:	
Administrative expenses	87,273
Excess contributions	9,455
Deemed Defaulted loans	1,632
Benefits paid to participants and transfers out of plan	2,727,589
Total deductions	2,825,949
Net increase	1,476,102
Net assets available for benefits at beginning of year	12,095,922
Net assets available for benefits at end of year	$ 13,572,024

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

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) Plan Description

The following description of Strategic Materials Employee Retirement Plan provides only general information. Participants should refer to the Plan Agreement for a complete description of the Plan's provisions.

(a) General – The Plan is a defined contribution plan covering all employees of the Company who are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions – Each year, participants may contribute up to the statutory maximum of pre-tax annual compensation as defined in the Plan. The maximum deferral amount for 2019 is $19,000 for participants under fifty years of age and an additional $6,000 for participants' age fifty and above. Participants may also contribute amounts representing distributions from other qualified plans. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 3 percent of eligible compensation and it increases by 1% each year limited to 6% unless the participant elects otherwise.

The Company contributes an amount equal to 50% of a participant's elective deferrals, up to 3% of a participant's compensation based on each payroll period after one year of service. Effective February 1, 2019, the Plan was amended to change the employer match contribution to a discretionary match. The Company determined that employer match was a tiered match of 100% of a participant's elective deferrals (deferrals) of their first 1% and 25% of the next 5% deferrals for a maximum match of 2.25% on 6% deferrals with no service requirements. Additional discretionary amounts may be contributed by the Company as profit sharing contributions. The discretionary profit-sharing contribution amount will be determined by the Company.

(c) Participant accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, or account balances as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(1) Plan Description, (continued)

(d) Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contributions portion of their accounts, plus actual earnings thereon, is based on years of continuous service. The Plan was amended on February 1, 2019, to change the participant's vesting service schedule to 50% after one year and 100% after two years of credited service. During 2018 a participant was fully vested after five years of vesting service.

(e) Investment options – The Plan's investment options include a broad range of mutual funds. Each participant is responsible for the investment decisions relating to the assets in their individual accounts under the Plan.

(f) Participant notes receivable – Participants may borrow from their fund accounts a minimum of $1,000. The maximum is the lesser of one half of the participant's vested account balance, or $50,000, reduced by the highest outstanding loan balance in the participant's account during the prior twelve-month period. The participant's vested account balance will be used as collateral for any loan. Principal and interest payments are made ratably through payroll deductions. Accounting Standards Update (ASU 2010-25) requires notes receivable from participants to be reported at unpaid principal balance plus any accrued but unpaid interest.

(g) Payment of Benefits – On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amounts equal to the value of the participant's vested interest in his or her account, or in periodic installments if the account balance is greater than $5,000. At December 31, 2019, $744,243 has been allocated to participants who have withdrawn from the Plan but have not been paid.

(h) Forfeitures – Forfeitures are allocated in the same proportion that a terminated participant's compensation bears to the total compensation of all participants. However, any forfeiture attributable to matching contributions will be used first to pay administrative expenses and any remaining amounts will be used to reduce any employer matching contributions. During 2019 and 2018, $92,270 and $30,000 respectively, of forfeited participant accounts were used to reduce the Company's administrative fees and contributions.

(1) Plan Description, (continued)

(i) Plan Administration – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting – The financial statements of the Plan are prepared using the accrual method of accounting.

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

(c) Investment Valuation and Income Recognition – The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year end.

The Plan follows the guidance In *ASU 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* for Plans that have elected to measure the fair value using the practical expedient. The Plan's assets include investments in Collective Trust Funds which uses a net asset value per share (NAV) practical expedient for fair value measurement, as defined in ASC 820, and should be removed from the hierarchy leveling table and shown as a reconciling item. The guidance in the *ASU 2015-07* is required to be applied on a retrospective basis to all periods presented. Collective trust funds are valued using a net asset value per share (NAV) practical expedient obtained by the fund house or other investment provider.

(2) Summary of Significant Accounting Policies (continued)

Investment contracts held by a defined contribution plan are required to be reported at contract value. It is the relevant measurement attribute for that portion of the net assets available for benefits that is attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Guaranteed Portfolio Fund is a benefit responsive investment contract. Using a discounted cash flow valuation methodology, fair value of the investment contract, prior to contract termination, equals the contract value.

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Net appreciation of investments includes the Plan's gains and losses on investments bought and sold as well as those held during the year.

(d) Payment of Benefits - Distribution of benefits are recorded when paid.

(e) Excess Contributions Refundable - Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions.

(3) Income Taxes

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax period in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2016.

(4) Information Prepared and Certified by Trustee (Unaudited)

At December 31, 2019 and 2018, the Plan's investments were held by the Trustee. The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustee as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

	2019	2018
Investments at fair value:		
Investment in common/collective trust	$ 1,175,861	$ 1,760,258
Value of participant directed interest in mutual funds	12,099,127	9,974,757
Total investments at fair value	$ 13,274,988	$ 11,735,015

(5) Fair Value Measurements

The Plan’s investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different valuation 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 fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs have the highest priority and consist of unadjusted quoted prices for identical assets. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no plan assets requiring the use of Level 2 or 3 inputs for the periods presented.

(5) Fair Value Measurements (continued)

Level 1 Fair Value Measurements

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. Inputs to the methodology include: quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets.

Level 2 Fair Value Measurements

Level 2 inputs are other than quoted prices that are observable for the assets or liability including: inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

	Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Observable Inputs (Level 2)
December 31, 2019			
Mutual funds	$ 12,099,127	$ 12,099,127	$ -
Collective trust funds - measured at NAV	1,175,861		
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(6) Investment Contract with Investment Company

The Plan entered into a benefit-responsive investment contract with Fidelity Investments. Fidelity maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Fidelity. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal, or transfer of all, or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 4 percent. Such interest rates are reviewed on a quarterly basis for resetting.

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The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

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(12) Subsequent Events

Management has evaluated subsequent events through October 12, 2020, the date the financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure in the financial statements.

(concluded)

Supplemental Schedules

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
SCHEDULE H, LINE 4i–SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FOR THE YEAR ENDED DECEMBER 31, 2019

(a)	(b) Identity of Issuer	(c) Description of Fund	(d) Cost	(e) Current Value
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*	Fidelity Management Trust	Temple Global Bond A		111,612
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*	Fidelity Management Trust	PIF Equity Inc A		84,451
*	Fidelity Management Trust	Fidelity Puritan		460,776
*	Fidelity Management Trust	Fidelity Contra Fund		1,057,410
*	Fidelity Management Trust	Fidelity Low Priced Stock		214,707
*	Fidelity Management Trust	Fidelity Freedom Income		448,579
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*	Fidelity Management Trust	Fidelity Freedom 2015		57,874
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*	Fidelity Management Trust	Fidelity Freedom 2005		1,455
	Participant loans	5.25% to 7.5% interest rate		306,489
	Total			$ 13,581,477

STRATEGIC MATERIALS
EMPLOYEE RETIREMENT PLAN
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2019

Participant Contributions Transferred Late to the Plan	Loan Repayments Included	Total that Constitutes Nonexempt Prohibited Transactions: Contributions Not Corrected	Total that Constitutes Nonexempt Prohibited Transactions: Contribution Corrected Outside VFCP	Total that Constitutes Nonexempt Prohibited Transactions: Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$68,624	X	–	–	–	$68,624