

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2019</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>
A This return/report is for: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☒ a single-employer plan </div> <div> ☐ a DFE (specify) ____ </div> </div>	
B This return/report is: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ the first return/report </div> <div> ☐ the final return/report </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ an amended return/report </div> <div> ☐ a short plan year return/report (less than 12 months) </div> </div>	
C If the plan is a collectively-bargained plan, check here. ▶ ☐	
D Check box if filing under: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☒ Form 5558 </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ special extension (enter description) </div> </div>	

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>KWRI 401(K) PLAN</u>		1b Three-digit plan number (PN) ▶	<u>001</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>KELLER WILLIAMS REALTY, INC.</u> <u>1221 S. MOPAC EXPRESSWAY, SUITE 400</u> <u>AUSTIN, TX 78746</u>		1c Effective date of plan <u>09/01/2006</u> 2b Employer Identification Number (EIN) <u>74-2756628</u> 2c Plan Sponsor's telephone number <u>512-327-3070</u> 2d Business code (see instructions) <u>531210</u>	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2020	ANN YETT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2019)
v. 190130

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 444
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 328 6a(2) 348 6b 6c 165 6d 513 6e 0 6f 513 6g 489 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 KWRI 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 KELLER WILLIAMS REALTY, INC.	D Employer Identification Number (EIN) 74-2756628	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
RHI	2201 TIMBERLOCH PLACE, SUITE 150 THE WOODLANDS, TX 77380

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
TD AMERITRADE TRUST COMPANY	717 17TH STREET, SUITE 1800 DENVER, CO 80202

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
ML&R WEALTH MANAGEMENT	401 CONGRESS AVENUE, SUITE 1100 AUSTIN, TX 78071

74-2900215

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan KWRI 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 KELLER WILLIAMS REALTY, INC.	D Employer Identification Number (EIN) 74-2756628	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	1356	381
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		1241430
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1393423	1551164
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	173740	227593
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	29615512	36949281
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	31184031 39969849
Liabilities			
g	Benefit claims payable	1g	81435
h	Operating payables	1h	1992
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	83427
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	31184031 39886422

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	2130442
	(B) Participants	2a(1)(B)	2814007
	(C) Others (including rollovers)	2a(1)(C)	172166
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	5116615
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	5428
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	9554
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	14982
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1113798
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	1113798
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		5121478
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		11366873

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3877830	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3877830
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		20841
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	6854	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		6854
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3905525

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7461348
l Transfers of assets:			
(1) To this plan	2l(1)		1241043
(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: **RSM US LLP**

(2) EIN: **42-0714325**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>		
A Name of plan <u>KWRI 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KELLER WILLIAMS REALTY, INC.</u>	D Employer Identification Number (EIN) <u>74-2756628</u>	

Part I	Distributions		
All references to distributions relate only to payments of benefits during the plan year.			
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	<table><tr><td>1</td><td><u>0</u></td></tr></table>	1	<u>0</u>
1	<u>0</u>		
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>84-0519832</u>			
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	<table><tr><td>3</td><td></td></tr></table>	3	
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)	<table><tr><td>6a</td><td></td></tr><tr><td>6b</td><td></td></tr><tr><td>6c</td><td></td></tr></table>	6a		6b		6c	
6a							
6b							
6c							
6 b Enter the amount contributed by the employer to the plan for this plan year							
6 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)							
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
11 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

b The plan year immediately preceding the current plan year

c The second preceding plan year

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

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

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

b The corresponding number for the second preceding plan year

15a**15b**

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

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

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

16a**16b**

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____

KWRI 401(k) Plan

Financial Report
December 31, 2019

Contents

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Independent Auditor's Report

Plan Management
KWRI 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of KWRI 401(k) Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2019, and 2018, 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the 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 3, which was certified or provided by TD Ameritrade Trust Company, Matrix Trust Company and Principal Life Insurance Company, the trustees of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustees hold the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2019 and 2018, and for the year then ended, that the information provided to the Plan Administrator by the trustees 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Board of Directors of the Keller Williams Realty Inc., the Plan's sponsor, voted on December 4, 2019, to merge the Smarter Agent Mobile Inc. 401(k) Plan into the KWRI 401(k) plan effective December 31, 2019. All plan assets were transferred to the Plan on March 2, 2020. Our disclaimer of opinion has not been modified with respect to this matter.

Other Matter—Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i—Schedule of assets (held at end of year) as of December 31, 2019, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on Form and Content in Compliance With the Department of Labor's 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 or provided by the trustees, 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.

RSM VS LLP

Austin, Texas
October 14, 2020

KWRI 401(k) Plan

Statements of Net Assets Available for Benefits December 31, 2019 and 2018

	2019	2018
Assets:		
Cash	\$ 233,649	\$ -
Investments at fair value:		
Mutual funds	36,949,281	29,615,512
Pooled separate accounts	1,241,430	-
Money market funds	1,317,515	1,393,423
Total cash and investments	39,741,875	31,008,935
Receivables:		
Employer contributions	381	1,356
Notes receivable from participants	227,593	173,740
Total receivables	227,974	175,096
Net assets available for benefits	\$ 39,969,849	\$ 31,184,031

See notes to financial statements.

KWRI 401(k) Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2019

Additions to net assets attributable to:	
Investment income:	
Net appreciation in fair value of investments	\$ 5,121,478
Interest and dividends	1,119,226
Total investment income	<u>6,240,704</u>
Interest income on notes receivable from participants	<u>9,554</u>
Contributions:	
Participants	2,814,007
Employer	2,130,442
Rollovers	172,166
Total contributions	<u>5,116,615</u>
Total additions	<u>11,366,873</u>
Deductions from net assets attributable to:	
Benefits paid to participants	3,817,236
Administrative expenses	4,862
Total deductions	<u>3,822,098</u>
Net increase in net assets available for benefits	7,544,775
Transfer in	1,241,043
Net assets available for benefits at beginning of year	<u>31,184,031</u>
Net assets available for benefits at end of year	<u><u>\$ 39,969,849</u></u>

See notes to financial statements.

KWRI 401(k) Plan

Notes to Financial Statements

Note 1. Description of Plan

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

General: The Plan is a defined contribution plan covering all eligible employees of Keller Williams Realty, Inc. (the Company, Plan Sponsor or Plan Administrator) who have completed 30 days of service and are not a member of an excluded class. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: The Company funded a matching contribution of up to 6% of eligible participant compensation for the year ended December 31, 2019. The Company contributions are invested pro rata with the participant contributions. Contributions are subject to certain limitations.

Each year, participants may contribute the lesser of 100% of their eligible compensation or the maximum amount allowed by law (\$19,000 in 2019) of pretax annual compensation, as defined in the Plan. Participants may designate some or all of their contributions as Roth deferrals. Once designated as a Roth deferral, this election is irrevocable and cannot be changed back to a pretax contribution. The Plan also allows for catch-up contributions for participants 50 years of age or older (up to \$6,000 in 2019). Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Plan included an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they decline to participate. The default contribution rate for automatically enrolled employees is 6% of eligible compensation.

Participant accounts: Participants direct the investment of their contributions into various investment options offered by the Plan.

Each participant's account is credited with the participant's contribution, allocations of the Company's contributions and Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions, employer matching contributions and any employer discretionary contributions, plus actual earnings thereon.

Notes receivable from participants: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to 50% of their total vested account balance or \$50,000, whichever is less. The notes are collateralized by the balance of the participant's account and bear interest at prime plus 1%. At December 31, 2019, the rate on all notes range from 4.25% to 6.50%. All Plan notes must be repaid in five years, except those that are used for the purchase of a principal residence in which case a longer repayment term is permitted. In most cases, repayment of the note will be made through after-tax payroll deductions.

KWRI 401(k) Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Distributions during employment: As a general rule, participant's contributions will remain in the Plan as long as the participant remains employed by the Company. The Plan does provide exceptions to this rule for withdrawals of the participant's contributions under certain circumstances (subject to the satisfaction of the Plan Administrator) that include the following:

- Medical expenses
- Purchase of a principal residence
- Post-secondary education for participant or their dependents
- To prevent eviction from or foreclosure on the participant's principal residence
- Payment of funeral expenses for a member of the participant's family
- Expenses for repair of damage to the participant's principal residence that would qualify for the casualty deduction under Internal Revenue Code (IRC) section 165

Payment of benefits: Benefits become available to participants on the earliest of four events: (1) termination of employment, (2) death of the participant (benefits are payable to the participant's spouse or beneficiary), (3) disability of the participant or (4) the participant's retirement.

If the participant is terminated and the vested balance is less than \$1,000, the balance will be automatically paid out in a lump sum. If a participant is terminated and his/her vested balance is less than \$5,000, but greater than \$1,000, the balance will be rolled over to an individual retirement account designated by the Plan Administrator. If the participant's vested account balance exceeds \$5,000, the participant's benefits will not be distributed until the participant requests payment from the Plan Administrator. The benefits can be left in the Plan until the participant retires. However, the participant is required to begin taking minimum distributions no later than April 1 of the calendar year following the calendar year the participant turns 70½ or terminates employment, whichever is later. In-service withdrawals are permitted after age 59½.

On termination of service due to death prior to retirement, the account balance is paid to the participant's spouse or beneficiary upon request. On termination of service due to retirement after age 65, the account balance is paid to the participant upon request.

Changes in trustees: During 2019, TD Ameritrade Trust Company was acquired by Matrix Financial Solutions. As a result, the Plan effectively changed its trustee and record keeper from TD Ameritrade Trust Company to Matrix Trust Company effective November 21, 2019.

Plan merger: On December 31, 2019, the Smarter Agent Mobile, LLC 401(k) plan merged with the Plan. As a result, net assets of \$1,241,043 were transferred to the control of the Plan at December 31, 2019. The merger does not impact participant benefits as the benefit provisions were incorporated in the Plan.

KWRI 401(k) Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying financial statements are prepared on the accrual basis of accounting.

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

Investment valuation and income recognition: Investments are reported at fair value. Fair value is the price that would be recognized to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for disclosure of the fair value measurements.

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

Risks and uncertainties: The Plan provides for investment in mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Expenses: Some of the expenses of operating and maintaining the Plan have been paid by the Company. In the event the Company does not continue to pay Plan expenses, the Plan expenses will be paid by the Plan and charged on a pro rata basis to the value of the participants' account balances.

Notes receivable from participants: Notes receivable from participants are measured at their unpaid balance plus any accrued, but unpaid interest. Interest income is recorded on an accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent participant loans are classified as distributions based upon the terms of the Plan document. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Notes receivable from participants have been classified as an investment asset for Form 5500 reporting purposes and, accordingly, have been included as an investment in the supplemental schedule, Schedule H, Line 4i—Schedule of assets (held at end of year).

Payment of benefits: Benefits are recorded when paid.

Income tax: The Plan has adopted authoritative guidance to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2015.

KWRI 401(k) Plan

Notes to Financial Statements

Note 3. Information Certified or Provided by TD Ameritrade Trust Company, Matrix Trust Company and Principal Life Insurance Company

The following is a summary of the Plan's asset information as of December 31, 2019 and 2018, and for the year ended December 31, 2019, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Trustees and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustees that the information provided to the Plan Administrator by the Trustees related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information that appears throughout the financial statements and supplemental schedule related to the following:

	December 31	
	2019	2018
Matrix Trust Company:		
Cash	\$ 233,649	N/A
Money market funds	1,317,515	N/A
Mutual funds	36,949,281	N/A
Notes receivable	227,593	N/A
Net appreciation in fair value of investments	510,740	N/A
Interest and dividends	643,077	N/A
Interest income on notes receivable	9,554	N/A
TD Ameritrade Trust Company:		
Money market funds	N/A	\$ 1,393,423
Mutual funds	N/A	29,615,512
Notes receivable	N/A	173,740
Net appreciation in fair value of investments	4,610,738	N/A
Interest and dividends	476,149	N/A
Principal Financial Group:		
Pooled Separate Accounts	1,241,430	N/A

Note 4. Fair Value Measurements

The *FASB Accounting Standards Codification* (ASC), Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

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

KWRI 401(k) Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices for the asset or liability that are observable
- 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, Level 2 inputs must be observable for substantially the full term of the asset or liability.

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

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

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Registered investment companies (mutual funds): Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at the price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Pooled separate accounts are valued at the net asset value (NAV) of shares held by the Plan. The NAV is not a publicly-quoted price in an active market. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Money market funds: Valued at cost plus accrued earnings, which approximates fair value.

There have been no changes in the methodologies used as of December 31, 2019. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

KWRI 401(k) Plan

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2019 and 2018:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 1,317,515	\$ -	\$ -	\$ 1,317,515
Mutual funds	36,949,281	-	-	36,949,281
	<u>\$ 38,266,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>38,266,796</u>
Investments measures at NAV (a)				1,241,430
				<u>\$ 39,508,226</u>

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 1,393,423	\$ -	\$ -	\$ 1,393,423
Mutual funds	29,615,512	-	-	29,615,512
	<u>\$ 31,008,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,008,935</u>

- (a) In accordance with the Fair Value Measurement topic, certain investments that were measured at NAV per share (or its equivalent) as a 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 line items presented in the statement of net assets available for benefits.

Note 5. Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by the Trustees, as defined by the Plan and, therefore, these investments qualify as party-in-interest transactions. Fees paid by the Plan to the Trustees totaled \$4,862 for the year ended December 31, 2019.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA.

Note 7. Tax Status

The Plan adopted a nonstandardized form of a prototype plan sponsored by Sungard Business System, LLC. The Plan has received a determination letter from the IRS as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

The IRS determined and communicated by a letter, dated March 31, 2014, that the Plan and related trust were designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is designed and is currently being operated in accordance with the applicable requirements of the IRC.

KWRI 401(k) Plan

Notes to Financial Statements

Note 7. Tax Status (Continued)

U.S. GAAP require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8. Reconciliation of Financial Statements to Form 5500

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

	December 31	
	2019	2018
Net assets available for benefits per the financial statements	\$ 39,969,849	\$ 31,184,031
Less benefit claims payable	(81,435)	-
Less operating payables	(1,992)	-
Net assets available for benefits per Form 5500	<u>\$ 39,886,422</u>	<u>\$ 31,184,031</u>

The following is a reconciliation of the net increase in net assets available for benefits for the year ended December 31, 2019, per the financial statements to Form 5500:

Net increase in net assets available for benefits per the financial statements	\$ 7,544,775
Less benefit claims payable	(81,435)
Less operating payables	<u>(1,992)</u>
Net income per Form 5500	<u>\$ 7,461,348</u>

Note 9. Subsequent Events

Subsequent to year-end, on January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The pandemic in the United States and throughout the world has resulted in substantial volatility in financial markets. This has had a significant impact on investment portfolios. As a result, the Plan's investments have incurred significant fluctuations in fair value since December 31, 2019.

The Plan has evaluated subsequent events through October 14, 2020, the date the financial statements were available to be issued.

Supplemental Schedule

KWRI 401(k) Plan**Employer Identification Number 74-2756628, Plan Number 001****Schedule H, Line 4i—Schedule of Assets (Held at End of Year)****December 31, 2019**

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate Of Interest, Collateral, Par or Maturity Value	Current Value
Mutual funds:		
Vanguard	500 Index Fund—Admiral Shares	\$ 6,963,985
Dimensional	Advisors U.S. Large Cap Value III	4,433,890
Dimensional	Advisors Short-Term Government	3,926,496
Dimensional	Advisors Intermediate Government Fixed-Income	3,789,166
Dimensional	Advisors U.S. Targeted Value	2,524,002
Dimensional	Advisors International Small Cap Value	2,439,261
Dimensional	Advisors U.S. Small Cap	2,395,213
Dimensional	Advisors International Value III	2,293,754
Dimensional	Advisors Real Estate Securities	1,898,939
Dimensional	Advisors Emerging Markets Core Equity	1,593,555
American Funds	Growth Fund of America Class R	1,163,445
Vanguard	Mid Cap Index Admiral Shares	726,056
T. Rowe Price	T. Rowe Price New Horizons Fund Inc.	587,024
Vanguard	Inflation Protected Securities	498,268
American Funds	Europacific Growth Fund Class R	429,487
Vanguard	Growth Index—Admiral Shares	419,076
Vanguard	Small Cap	415,707
Vanguard	Intermediate Term Bond Index Ad.	342,889
Dimensional	Advisors One-Year Fixed Income	109,068
		<u>36,949,281</u>
Pooled separate accounts:		
* Principal Global Investors	LgCap S&P 500 Index Sep.	181,982
T. Rowe Price	LargeCap Growth I Sep.	153,084
Westwood	LargeCap Value III Sep.	96,146
Robert Baird	MidCap Growth III Sep. Acct.	90,371
AB	SmallCap Growth I Sep.	87,584
* Principal Global Investors	Diversified Intl Sep. Acct.	82,600
* Principal Global Investors	Principal LifeTm 2035	78,685
* Principal Global Investors	Principal LifeTm 2030	69,319
* Principal Global Investors	Bond Market Index Sep.	60,106
* Principal Global Investors	Intl. Emerging Mkts. Sep. Acct.	59,048
* Principal Global Investors	Government & HQ Bond	58,104
* Principal Global Investors	Principal LifeTm 2045	50,020
* Principal Global Investors	MidCap S&P 400 Index Sep.	47,617
* Principal Global Investors	SmallCap S&P 600 Index SA	39,248
LA Capital Mgmt.	MidCap Value I Separate	35,079

(Continued)

KWRI 401(k) Plan
Employer Identification Number 74-2756628, Plan Number 001

Schedule H, Line 4i—Schedule of Assets (Held at End of Year)—Continued
December 31, 2019

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate Of Interest, Collateral, Par or Maturity Value	Current Value
Pooled separate accounts: (continued)		
* Principal Global Investors	Principal LifeTm 2050	\$ 22,501
* Principal Global Investors	SmallCap Separate Account	20,479
* Principal Real Estate Inv.	U.S. Property Sep. Acct.	6,930
* Principal Global Investors	Principal LifeTm 2065	2,527
		<u>1,241,430</u>
Money market funds	Cash	<u>1,317,515</u>
* Participants	Loans (interest rates of 4.25% to 6.50%, maturity through September 2042)	<u>227,593</u>
		<u><u>\$ 39,735,819</u></u>

*Represents a party in interest

The information above has been certified by TD Ameritrade Trust Company, Matrix Trust Company and Principal Life Insurance Company, the trustees, as complete and accurate.

See independent auditor's report.

KWRI 401(k) Plan**Employer Identification Number 74-2756628, Plan Number 001****Schedule H, Line 4i—Schedule of Assets (Held at End of Year)****December 31, 2019**

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KWRI 401(k) Plan
Employer Identification Number 74-2756628, Plan Number 001

Schedule H, Line 4i—Schedule of Assets (Held at End of Year)—Continued
December 31, 2019

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