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
FAZIO, INCORPORATED 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2006

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)
FAZIO, INCORPORATED

21333 OXNARD ST. FIRST FLOOR
WOODLAND HILLS, CA 91367

2b Employer Identification Number (EIN)
95-2314795

2c Plan Sponsor's telephone number
818-449-2234

2d Business code (see instructions)
812320

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.	10/15/2020	CLAUDIA PILATAXI
	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:	**4b**	EIN
a	Sponsor's name	**4d**	PN
c	Plan Name		

5	Total number of participants at the beginning of the plan year	**5**	143
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)**	135
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	118
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	7
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	125
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	125
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	42
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2J 2F 2G 2K 2T 3D

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)** [ ] **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
FAZIO, INCORPORATED 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FAZIO, INCORPORATED

D Employer Identification Number (EIN)
95-2314795

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).. . . . . ☐ Yes ☒ No

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

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

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

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

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 64 65	RECORDKEEPER	1500	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(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)

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
FAZIO, INCORPORATED 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FAZIO, INCORPORATED

D Employer Identification Number (EIN)
95-2314795

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)	2274	2699
(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)	140877	149568
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1961346	2490218
(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	2104497	2642485
	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	2104497	2642485

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)	0	
	(B) Participants	2a(1)(B)	129103	
	(C) Others (including rollovers)	2a(1)(C)	41	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		129144
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1882	
	(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)	7953	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		9835
	(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)	141722	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		141722
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		295693
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		576394
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	36616	
(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)		36616
f Corrective distributions (see instructions)	2f		217
g Certain deemed distributions of participant loans (see instructions)	2g		73
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	1500	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1500
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		38406
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		537988
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: MILLER KAPLAN ARASE LLP **(2)** EIN: 95-2036255

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		4645
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		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?	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

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
FAZIO, INCORPORATED 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
FAZIO, INCORPORATED

D Employer Identification Number (EIN)
95-2314795

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_____



Certified Public Accountants
and Financial Advisors

Fazio, Incorporated 401(k) Plan
Financial Statements and Supplemental Schedules
December 31, 2019 and 2018

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Independent Auditor's Report 1

Statements of Net Assets Available for Benefits as of December 31, 2019 and 2018 3

Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2019 4

Notes to Financial Statements 5

Supplemental Schedules*

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions 13

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 14

* Note: Schedules other than those listed above have been omitted because the information is otherwise disclosed, not applicable or not required by 29 CFR 2520.103-10 of the Department of Labor Rules and Regulations for Reporting under the Employee Retirement Income Security Act of 1974.

squarmilner
Certified Public Accountants
and Financial Advisors

Squar Milner LLP

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator
Fazio, Incorporated 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Fazio, Incorporated 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019, 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

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 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2019 financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the year ended December 31, 2019, 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 on the 2019 financial statements. Accordingly, we do not express an opinion on the 2019 financial statements.

Other Matter – Supplemental Schedules

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019 and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2019 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and 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, we do not express an opinion on these supplemental schedules.

Other Matter – 2018 Financial Statement

The financial statement of the Plan as of December 31, 2018 was audited by predecessor auditors. 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 (ERISA), the Plan Administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the 2018 information certified by Fidelity Management Trust Company, the trustee of the Plan. Their report, dated September 30, 2019, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statement, and (b) the form and content of the information included in the financial statement other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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.

SQUAR MILNER LLP



Irvine, California
October 14, 2020

FAZIO, INCORPORATED 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

	2019	2018
ASSETS		
Investments, at fair value:		
Money Market Fund	$ 2,699	$ 2,274
Mutual Funds	2,490,218	1,961,346
Total investments	2,492,917	1,963,620
Receivables:		
Notes Receivable from Participants	149,568	140,877
Participant Contributions	5,483	7,374
Total receivables	155,051	148,251
Total assets	2,647,968	2,111,871
LIABILITIES		
Excess contributions payable	13,674	–
Total liabilities	13,674	–
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,634,294	$ 2,111,871

The accompanying notes are an integral part of these statements.

FAZIO, INCORPORATED 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2019

ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	$	295,693
Interest and dividends		143,604
Total investment income		439,297
Interest income on notes receivable from participants		7,953
Contributions		
Participant		113,538
Rollover		41
Total contributions		113,579
Total additions		560,829
DEDUCTIONS		
Benefits paid to participants		36,616
Deemed distributions		73
Corrective distributions		217
Administrative expenses		1,500
Total deductions		38,406
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		522,423
NET ASSETS AVAILABLE FOR BENEFITS – beginning of year		2,111,871
NET ASSETS AVAILABLE FOR BENEFITS – end of year	$	2,634,294

The accompanying notes are an integral part of these statements.

1. PLAN DESCRIPTION

The following description of Fazio, Incorporated 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established on January 1, 2007 to provide voluntary retirement benefits and tax-deferred savings opportunities to eligible employees, as defined in the Plan, of Fazio, Incorporated (the "Company'' or "Plan Administrator"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The assets of the Plan are held in a trust by Fidelity Management Trust Company (the "Trustee").

Eligibility

Company employees are eligible to participate in the Plan upon completing one year of service (1,000 hours) by the end of a twelve-month period.

Contributions

Participants may contribute to the Plan through tax-deferred salary reductions up to 15% of compensation, as defined in the Plan. Participants may elect to make a contribution into the Plan of up to $19,000 for 2019. In addition, participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to $6,000 for 2019.

The Company may, at its discretion, make matching contributions. There were no matching contributions for the year ended December 31, 2019.

Investment Options

Upon enrollment in the Plan, participants direct their contributions into various investment options offered by the Plan. Participants may change their investment options or transfer funds at any time based upon policies established by the Plan.

Participant Accounts

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

Vesting

A participant is fully vested immediately as to voluntary contributions, rollovers, related earnings and the Company's safe harbor matching contributions.

1. PLAN DESCRIPTION (continued)

Notes Receivable from Participants

A participant is allowed to borrow a maximum of 50% of his or her vested account balance up to $50,000. The minimum loan amount is $1,000. Loans must be repaid through payroll deductions within five years (except that loans for the purchase of a primary residence may be repaid over ten years). Notes receivable from participants bear interest ranging from 4.25% to 6.50% at December 31, 2019.

Payment of Benefits

Benefits under the Plan begin when a participant retires, becomes disabled, dies, or ceases to be an employee, whichever applies. Normal retirement age is 65. Hardship withdrawals are permitted.

Plan Termination

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

Administrative Expenses

Most administrative expenses are paid by the Company.

Plan Amendments

On December 7, 2018, the Plan was amended to no longer require minimum hours of service to be eligible to participate in the Plan; participants hereafter become eligible upon completing 12 months of service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. 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 or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 4 for further information of fair value measurements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes Receivable from Participants

Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' vested account balances. Notes receivable from participants bear interest ranging from 4.25% to 6.50% at December 31, 2019, with various maturities extending through September 2024.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Loan origination fees associated with notes receivable from participants and other service fees charged to participant balances are reflected in the financial statements as administrative expenses of the Plan. Investment management fees are charged to the Plan as a reduction of investment income reported by the Plan (Note 5). All other expenses of the Plan are paid by the Company.

Corrective Distributions Payable

The Plan is required to refund contributions received during the plan year in excess of IRC limits. At December 31, 2019, the Plan had $13,674 and $0 in corrective distributions payable at December 31, 2019 and 2018, respectively.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Risks and Uncertainties

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

Going Concern

Management is responsible for evaluating whether there is a substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an organization's ability to continue as going concern within one year after the date that the financial statements are issued. The Plan Sponsor has performed this assessment as of the date these financial statements were issued and no going concern uncertainties were identified.

3. FINANCIAL INFORMATION CERTIFIED BY THE TRUSTEE

Information regarding total investments, notes receivable from participants, net investment appreciation, dividend and interest income on notes receivable from participants as shown in the accompanying financial statements and supplemental schedule H, Line 4i – Schedule of Assets, has been certified to the Plan Administrator by Fidelity Management Trust Company, the Plan Trustee, as being complete and accurate. Accordingly, the Plan Administrator has obtained certifications from the Trustee that the following information included in the accompanying financial statements and the supplemental schedule of assets is complete and accurate:

- Investments at fair value as reflected in the statements of net assets available for benefits of $2,492,917 and $1,963,620 as of December 31, 2019 and 2018, respectively.
- Notes receivable from participants as reflected in the statements of net assets available for benefits of $149,568 and $140,877 as of December 31, 2019 and 2018, respectively.
- Interest and dividends of $143,604, net appreciation in fair value of investments of $295,693, and interest income on notes receivable from participants of $7,953, as reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2019.
- Investments and notes receivable, as reflected in Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019.

Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA states, in part, that any statement of information prepared and certified by the Plan's Trustee need not be audited or reported on by an independent public accountant. Pursuant to that regulation, the Plan Administrator has instructed the Plan's independent public accountants, Squar Milner LLP for 2019 and the predecessor auditor for 2018, not to perform any auditing procedures with respect to information certified by the Trustee.

4. FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy under FASB Accounting Standards Codification ("ASC") 820 are described below:

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

Level 2 – Inputs to the valuation methodology include:

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

4. FAIR VALUE MEASUREMENTS (continued)

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 Plan had no Level 2 or Level 3 investments at December 31, 2019 and 2018.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. The Plan had no Level 3 investments at December 31, 2019 and 2018.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Mutual funds – These investments are public investment securities valued using the NAV. The NAV is a quoted price in an active market and are classified as Level 1 investments.

Money market funds – This investment is valued at the NAV based on closing prices as reported by the fund and was deemed to be actively traded, and is classified as Level 1 investments.

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

The following tables represent financial assets that have been measured at fair value on a recurring basis. These assets are classified in accordance with the fair value hierarchy:

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Description				
Money Market Fund	$ 2,699	$ –	$ –	$ 2,699
Mutual Funds	2,490,218	–	–	2,490,218
	$ 2,492,917	$ –	$ –	$ 2,492,917

	December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Description				
Money Market Fund	$ 2,274	$ –	$ –	$ 2,274
Mutual Funds	1,961,346	–	–	1,961,346
	$ 1,963,620	$ –	$ –	$ 1,963,620

4. FAIR VALUE MEASUREMENTS (continued)

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 or in or out of Level 3. There were no changes in fair value methodologies at December 31, 2019 and 2018.

5. RELATED PARTY TRANSACTIONS

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Some administrative expenses of the Plan are paid directly by the Company. The Plan holds certain investments managed by Fidelity Investments, an affiliate of the Trustee. Fidelity Management Trust Company is the Plan Trustee and, therefore, these transactions and the Plan's payment of trustee fees to Fidelity Management Trust Company qualify as party-in-interest transactions. Amounts paid by the Plan to parties-in-interest for investment management and administrative services qualify as permitted party-in-interest transactions. Notes receivable from participants held by the Plan are also considered permitted party-in-interest transactions.

6. INCOME TAX STATUS

The Plan is based upon a Prototype Volume Submitter Profit Sharing Plan with CODA document that received tax-exempt status from the Internal Revenue Service in a letter dated March 31, 2014. The Plan has since been amended, however, the Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a tax position that more likely than not would not be sustained upon examination by a tax authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. EXCESS CONTRIBUTIONS

Contributions received from participants for the plan year ended December 31, 2019 and 2018 include $13,674 and $0, respectively, of excess contributions (net of corresponding gains and losses) that were distributed ("corrective distributions") in the subsequent year to certain active participants. The excess deferral contributions, originally contributed in the year ended December 31, 2019, were returned to comply with the participants' applicable maximum annual contributions permitted under the Internal Revenue Code. The amount is included in the Plan's statements of net assets available for benefits as excess contributions payable at December 31, 2019.

8. DELINQUENT PARTICIPANT CONTRIBUTIONS

During 2019, the Plan Sponsor failed to deposit approximately $29,000 of participant contributions and loan repayments within the required timeframe as stated by the United States Department of Labor ("DOL") regulations. Lost earnings to correct this failure were not significant to the Plan. The Plan sponsor will file Form 5330 and pay applicable excise tax in 2020. The excise tax payments will be made from the Plan Sponsor's assets and not from assets of the Plan.

During 2018, the Plan Sponsor inadvertently failed to deposit approximately $5,000 of participant contributions and loan repayments within the required timeframe as stated by the DOL regulations. Lost earnings to correct this failure were not significant to the Plan. The Plan sponsor will file Form 5330 and pay applicable excise tax in 2020. The excise tax payments will be made from the Plan Sponsor's assets and not from assets of the Plan.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the years December 31, 2019 and 2018:

	2019	2018
Net assets available for benefits per the financial statements	$ 2,634,294	$ 2,111,871
Plus: Excess contributions payable	13,674	–
Less: Employee contributions receivable	(5,483)	(7,374)
Net assets per the Form 5500	$ 2,642,485	$ 2,104,497

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

Net increase per the financial statements	$ 522,423
Plus: Current year excess contributions payable	13,674
Plus: Prior year employee contributions receivable	7,374
Less: Current year employee contributions receivable	(5,483)
Net increase per the Form 5500	$ 537,988

10. SUBSEQUENT EVENTS

The Plan evaluated subsequent events for their potential impact on the accompanying financial statements and disclosures through October 14, 2020, which is the date the accompanying financial statements were available to be issued.

10. SUBSEQUENT EVENTS (continued)

The Plan has implemented certain requirement by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act"), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayment, suspend required minimum distributions, and delay the commencement date for required minimum distributions.

With respect to the ongoing and evolving coronavirus ("COVID-19") outbreak, which was designated as a pandemic by the World Health Organization on March 11, 2020, the outbreak has caused substantial disruption in the international and U.S. economies and markets. The extend of the impact of COVID-19 outbreak on the Plan's investments and amounts reported in the statement of net assets available for benefits as of December 31, 2019 cannot be predicted at this time.

SUPPLEMENTAL SCHEDULES

FAZIO, INCORPORATED 401(k) PLAN
SCHEDULE H, LINE 4a- SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
E.I.N. 95-2314795; PLAN NO. 001
December 31, 2019

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☑	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Year ended December 31, 2019 which consisted of four late deposits	$ 28,651	$ –	$ –	$ –
Year ended December 31, 2018 which consisted of one late deposit	$ –	$ –	$ –	$ 4,645

FAZIO, INCORPORATED 401(k) PLAN
SCHEDULE H, LINE 4i -SCHEDULE OF ASSETS (HELD AT END OF YEAR)
E.I.N. 95-2314795; PLAN NO. 001
December 31, 2019

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current value
	Money Market Fund:			
*	Fidelity	Fidelity Government Money Market Fund	**	$ 2,699
	Mutual Funds:			
*	Fidelity	Fidelity Freedom 2030 Fund	**	841,918
*	Fidelity	Fidelity Freedom 2035 Fund	**	298,545
*	Fidelity	Fidelity Freedom 2025 Fund	**	217,551
*	Fidelity	Fidelity Freedom 2020 Fund	**	208,727
*	Fidelity	Fidelity Export and Multinational Fund	**	205,606
*	Fidelity	Fidelity Freedom 2015 Fund	**	181,247
*	Fidelity	Fidelity Overseas Fund	**	160,691
*	Fidelity	Fidelity Value Fund	**	139,957
*	Fidelity	Fidelity Freedom 2050 Fund	**	66,795
*	Fidelity	Fidelity Mid-Cap Stock Fund	**	51,197
*	Fidelity	Fidelity Freedom 2040 Fund	**	47,739
*	Fidelity	Fidelity Small Cap Value Fund	**	30,113
*	Fidelity	Fidelity Intermediate Bond Fund	**	18,170
*	Fidelity	Fidelity Investment Grade Bond Fund	**	16,491
*	Fidelity	Fidelity Freedom 2055 Fund	**	5,461
*	Fidelity	Fidelity Fund	**	10
	Total investments			2,490,218
*	Notes receivable from participants	Interest rates of 4.25% to 6.50% with various maturity dates through September 2024.		149,568
				$ 2,642,485

* Party-in-interest
** Historical cost information is not required for participant directed investments.



Certified Public Accountants
and Financial Advisors

Fazio, Incorporated 401(k) Plan
Financial Statements and Supplemental Schedules
December 31, 2019 and 2018

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Independent Auditor's Report 1

Statements of Net Assets Available for Benefits as of December 31, 2019 and 2018 3

Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2019 4

Notes to Financial Statements 5

Supplemental Schedules*

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions 13

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 14

* Note: Schedules other than those listed above have been omitted because the information is otherwise disclosed, not applicable or not required by 29 CFR 2520.103-10 of the Department of Labor Rules and Regulations for Reporting under the Employee Retirement Income Security Act of 1974.

squarmilner
Certified Public Accountants
and Financial Advisors

Squar Milner LLP

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator
Fazio, Incorporated 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Fazio, Incorporated 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019, 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

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 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2019 financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the year ended December 31, 2019, 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 on the 2019 financial statements. Accordingly, we do not express an opinion on the 2019 financial statements.

Other Matter – Supplemental Schedules

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019 and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2019 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and 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, we do not express an opinion on these supplemental schedules.

Other Matter – 2018 Financial Statement

The financial statement of the Plan as of December 31, 2018 was audited by predecessor auditors. 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 (ERISA), the Plan Administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the 2018 information certified by Fidelity Management Trust Company, the trustee of the Plan. Their report, dated September 30, 2019, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statement, and (b) the form and content of the information included in the financial statement other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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.

SQUAR MILNER LLP



Irvine, California
October 14, 2020

FAZIO, INCORPORATED 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

	2019	2018
ASSETS		
Investments, at fair value:		
Money Market Fund	$ 2,699	$ 2,274
Mutual Funds	2,490,218	1,961,346
Total investments	2,492,917	1,963,620
Receivables:		
Notes Receivable from Participants	149,568	140,877
Participant Contributions	5,483	7,374
Total receivables	155,051	148,251
Total assets	2,647,968	2,111,871
LIABILITIES		
Excess contributions payable	13,674	–
Total liabilities	13,674	–
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,634,294	$ 2,111,871

The accompanying notes are an integral part of these statements.

FAZIO, INCORPORATED 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2019

ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	$	295,693
Interest and dividends		143,604
Total investment income		439,297
Interest income on notes receivable from participants		7,953
Contributions		
Participant		113,538
Rollover		41
Total contributions		113,579
Total additions		560,829
DEDUCTIONS		
Benefits paid to participants		36,616
Deemed distributions		73
Corrective distributions		217
Administrative expenses		1,500
Total deductions		38,406
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		522,423
NET ASSETS AVAILABLE FOR BENEFITS – beginning of year		2,111,871
NET ASSETS AVAILABLE FOR BENEFITS – end of year	$	2,634,294

The accompanying notes are an integral part of these statements.

1. PLAN DESCRIPTION

The following description of Fazio, Incorporated 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established on January 1, 2007 to provide voluntary retirement benefits and tax-deferred savings opportunities to eligible employees, as defined in the Plan, of Fazio, Incorporated (the "Company'' or "Plan Administrator"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The assets of the Plan are held in a trust by Fidelity Management Trust Company (the "Trustee").

Eligibility

Company employees are eligible to participate in the Plan upon completing one year of service (1,000 hours) by the end of a twelve-month period.

Contributions

Participants may contribute to the Plan through tax-deferred salary reductions up to 15% of compensation, as defined in the Plan. Participants may elect to make a contribution into the Plan of up to $19,000 for 2019. In addition, participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to $6,000 for 2019.

The Company may, at its discretion, make matching contributions. There were no matching contributions for the year ended December 31, 2019.

Investment Options

Upon enrollment in the Plan, participants direct their contributions into various investment options offered by the Plan. Participants may change their investment options or transfer funds at any time based upon policies established by the Plan.

Participant Accounts

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

Vesting

A participant is fully vested immediately as to voluntary contributions, rollovers, related earnings and the Company's safe harbor matching contributions.

1. PLAN DESCRIPTION (continued)

Notes Receivable from Participants

A participant is allowed to borrow a maximum of 50% of his or her vested account balance up to $50,000. The minimum loan amount is $1,000. Loans must be repaid through payroll deductions within five years (except that loans for the purchase of a primary residence may be repaid over ten years). Notes receivable from participants bear interest ranging from 4.25% to 6.50% at December 31, 2019.

Payment of Benefits

Benefits under the Plan begin when a participant retires, becomes disabled, dies, or ceases to be an employee, whichever applies. Normal retirement age is 65. Hardship withdrawals are permitted.

Plan Termination

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

Administrative Expenses

Most administrative expenses are paid by the Company.

Plan Amendments

On December 7, 2018, the Plan was amended to no longer require minimum hours of service to be eligible to participate in the Plan; participants hereafter become eligible upon completing 12 months of service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. 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 or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 4 for further information of fair value measurements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes Receivable from Participants

Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' vested account balances. Notes receivable from participants bear interest ranging from 4.25% to 6.50% at December 31, 2019, with various maturities extending through September 2024.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Loan origination fees associated with notes receivable from participants and other service fees charged to participant balances are reflected in the financial statements as administrative expenses of the Plan. Investment management fees are charged to the Plan as a reduction of investment income reported by the Plan (Note 5). All other expenses of the Plan are paid by the Company.

Corrective Distributions Payable

The Plan is required to refund contributions received during the plan year in excess of IRC limits. At December 31, 2019, the Plan had $13,674 and $0 in corrective distributions payable at December 31, 2019 and 2018, respectively.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Risks and Uncertainties

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

Going Concern

Management is responsible for evaluating whether there is a substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an organization's ability to continue as going concern within one year after the date that the financial statements are issued. The Plan Sponsor has performed this assessment as of the date these financial statements were issued and no going concern uncertainties were identified.

3. FINANCIAL INFORMATION CERTIFIED BY THE TRUSTEE

Information regarding total investments, notes receivable from participants, net investment appreciation, dividend and interest income on notes receivable from participants as shown in the accompanying financial statements and supplemental schedule H, Line 4i – Schedule of Assets, has been certified to the Plan Administrator by Fidelity Management Trust Company, the Plan Trustee, as being complete and accurate. Accordingly, the Plan Administrator has obtained certifications from the Trustee that the following information included in the accompanying financial statements and the supplemental schedule of assets is complete and accurate:

- Investments at fair value as reflected in the statements of net assets available for benefits of $2,492,917 and $1,963,620 as of December 31, 2019 and 2018, respectively.
- Notes receivable from participants as reflected in the statements of net assets available for benefits of $149,568 and $140,877 as of December 31, 2019 and 2018, respectively.
- Interest and dividends of $143,604, net appreciation in fair value of investments of $295,693, and interest income on notes receivable from participants of $7,953, as reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2019.
- Investments and notes receivable, as reflected in Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019.

Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA states, in part, that any statement of information prepared and certified by the Plan's Trustee need not be audited or reported on by an independent public accountant. Pursuant to that regulation, the Plan Administrator has instructed the Plan's independent public accountants, Squar Milner LLP for 2019 and the predecessor auditor for 2018, not to perform any auditing procedures with respect to information certified by the Trustee.

4. FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy under FASB Accounting Standards Codification ("ASC") 820 are described below:

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

Level 2 – Inputs to the valuation methodology include:

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

4. FAIR VALUE MEASUREMENTS (continued)

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 Plan had no Level 2 or Level 3 investments at December 31, 2019 and 2018.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. The Plan had no Level 3 investments at December 31, 2019 and 2018.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Mutual funds – These investments are public investment securities valued using the NAV. The NAV is a quoted price in an active market and are classified as Level 1 investments.

Money market funds – This investment is valued at the NAV based on closing prices as reported by the fund and was deemed to be actively traded, and is classified as Level 1 investments.

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

The following tables represent financial assets that have been measured at fair value on a recurring basis. These assets are classified in accordance with the fair value hierarchy:

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Description				
Money Market Fund	$ 2,699	$ –	$ –	$ 2,699
Mutual Funds	2,490,218	–	–	2,490,218
	$ 2,492,917	$ –	$ –	$ 2,492,917

	December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Description				
Money Market Fund	$ 2,274	$ –	$ –	$ 2,274
Mutual Funds	1,961,346	–	–	1,961,346
	$ 1,963,620	$ –	$ –	$ 1,963,620

4. FAIR VALUE MEASUREMENTS (continued)

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 or in or out of Level 3. There were no changes in fair value methodologies at December 31, 2019 and 2018.

5. RELATED PARTY TRANSACTIONS

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Some administrative expenses of the Plan are paid directly by the Company. The Plan holds certain investments managed by Fidelity Investments, an affiliate of the Trustee. Fidelity Management Trust Company is the Plan Trustee and, therefore, these transactions and the Plan's payment of trustee fees to Fidelity Management Trust Company qualify as party-in-interest transactions. Amounts paid by the Plan to parties-in-interest for investment management and administrative services qualify as permitted party-in-interest transactions. Notes receivable from participants held by the Plan are also considered permitted party-in-interest transactions.

6. INCOME TAX STATUS

The Plan is based upon a Prototype Volume Submitter Profit Sharing Plan with CODA document that received tax-exempt status from the Internal Revenue Service in a letter dated March 31, 2014. The Plan has since been amended, however, the Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a tax position that more likely than not would not be sustained upon examination by a tax authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. EXCESS CONTRIBUTIONS

Contributions received from participants for the plan year ended December 31, 2019 and 2018 include $13,674 and $0, respectively, of excess contributions (net of corresponding gains and losses) that were distributed ("corrective distributions") in the subsequent year to certain active participants. The excess deferral contributions, originally contributed in the year ended December 31, 2019, were returned to comply with the participants' applicable maximum annual contributions permitted under the Internal Revenue Code. The amount is included in the Plan's statements of net assets available for benefits as excess contributions payable at December 31, 2019.

8. DELINQUENT PARTICIPANT CONTRIBUTIONS

During 2019, the Plan Sponsor failed to deposit approximately $29,000 of participant contributions and loan repayments within the required timeframe as stated by the United States Department of Labor ("DOL") regulations. Lost earnings to correct this failure were not significant to the Plan. The Plan sponsor will file Form 5330 and pay applicable excise tax in 2020. The excise tax payments will be made from the Plan Sponsor's assets and not from assets of the Plan.

During 2018, the Plan Sponsor inadvertently failed to deposit approximately $5,000 of participant contributions and loan repayments within the required timeframe as stated by the DOL regulations. Lost earnings to correct this failure were not significant to the Plan. The Plan sponsor will file Form 5330 and pay applicable excise tax in 2020. The excise tax payments will be made from the Plan Sponsor's assets and not from assets of the Plan.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the years December 31, 2019 and 2018:

	2019	2018
Net assets available for benefits per the financial statements	$ 2,634,294	$ 2,111,871
Plus: Excess contributions payable	13,674	–
Less: Employee contributions receivable	(5,483)	(7,374)
Net assets per the Form 5500	$ 2,642,485	$ 2,104,497

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

Net increase per the financial statements	$ 522,423
Plus: Current year excess contributions payable	13,674
Plus: Prior year employee contributions receivable	7,374
Less: Current year employee contributions receivable	(5,483)
Net increase per the Form 5500	$ 537,988

10. SUBSEQUENT EVENTS

The Plan evaluated subsequent events for their potential impact on the accompanying financial statements and disclosures through October 14, 2020, which is the date the accompanying financial statements were available to be issued.

10. SUBSEQUENT EVENTS (continued)

The Plan has implemented certain requirement by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act"), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayment, suspend required minimum distributions, and delay the commencement date for required minimum distributions.

With respect to the ongoing and evolving coronavirus ("COVID-19") outbreak, which was designated as a pandemic by the World Health Organization on March 11, 2020, the outbreak has caused substantial disruption in the international and U.S. economies and markets. The extend of the impact of COVID-19 outbreak on the Plan's investments and amounts reported in the statement of net assets available for benefits as of December 31, 2019 cannot be predicted at this time.

SUPPLEMENTAL SCHEDULES

FAZIO, INCORPORATED 401(k) PLAN
SCHEDULE H, LINE 4a- SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
E.I.N. 95-2314795; PLAN NO. 001
December 31, 2019

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☑	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Year ended December 31, 2019 which consisted of four late deposits	$ 28,651	$ –	$ –	$ –
Year ended December 31, 2018 which consisted of one late deposit	$ –	$ –	$ –	$ 4,645

FAZIO, INCORPORATED 401(k) PLAN
SCHEDULE H, LINE 4i -SCHEDULE OF ASSETS (HELD AT END OF YEAR)
E.I.N. 95-2314795; PLAN NO. 001
December 31, 2019

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current value
	Money Market Fund:			
*	Fidelity	Fidelity Government Money Market Fund	**	$ 2,699
	Mutual Funds:			
*	Fidelity	Fidelity Freedom 2030 Fund	**	841,918
*	Fidelity	Fidelity Freedom 2035 Fund	**	298,545
*	Fidelity	Fidelity Freedom 2025 Fund	**	217,551
*	Fidelity	Fidelity Freedom 2020 Fund	**	208,727
*	Fidelity	Fidelity Export and Multinational Fund	**	205,606
*	Fidelity	Fidelity Freedom 2015 Fund	**	181,247
*	Fidelity	Fidelity Overseas Fund	**	160,691
*	Fidelity	Fidelity Value Fund	**	139,957
*	Fidelity	Fidelity Freedom 2050 Fund	**	66,795
*	Fidelity	Fidelity Mid-Cap Stock Fund	**	51,197
*	Fidelity	Fidelity Freedom 2040 Fund	**	47,739
*	Fidelity	Fidelity Small Cap Value Fund	**	30,113
*	Fidelity	Fidelity Intermediate Bond Fund	**	18,170
*	Fidelity	Fidelity Investment Grade Bond Fund	**	16,491
*	Fidelity	Fidelity Freedom 2055 Fund	**	5,461
*	Fidelity	Fidelity Fund	**	10
	Total investments			2,490,218
*	Notes receivable from participants	Interest rates of 4.25% to 6.50% with various maturity dates through September 2024.		149,568
				$ 2,642,485

* Party-in-interest
** Historical cost information is not required for participant directed investments.



Certified Public Accountants
and Financial Advisors

Fazio, Incorporated 401(k) Plan
Financial Statements and Supplemental Schedules
December 31, 2019 and 2018

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

Independent Auditor's Report 1

Statements of Net Assets Available for Benefits as of December 31, 2019 and 2018 3

Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2019 4

Notes to Financial Statements 5

Supplemental Schedules*

Schedule H, Line 4a – Schedule of Delinquent Participant Contributions 13

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 14

* Note: Schedules other than those listed above have been omitted because the information is otherwise disclosed, not applicable or not required by 29 CFR 2520.103-10 of the Department of Labor Rules and Regulations for Reporting under the Employee Retirement Income Security Act of 1974.

squarmilner
Certified Public Accountants
and Financial Advisors

Squar Milner LLP

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator
Fazio, Incorporated 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Fazio, Incorporated 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019, 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

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 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2019 financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the year ended December 31, 2019, 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 on the 2019 financial statements. Accordingly, we do not express an opinion on the 2019 financial statements.

Other Matter – Supplemental Schedules

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019 and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions for the year ended December 31, 2019 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and 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, we do not express an opinion on these supplemental schedules.

Other Matter – 2018 Financial Statement

The financial statement of the Plan as of December 31, 2018 was audited by predecessor auditors. 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 (ERISA), the Plan Administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the 2018 information certified by Fidelity Management Trust Company, the trustee of the Plan. Their report, dated September 30, 2019, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statement, and (b) the form and content of the information included in the financial statement other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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.

SQUAR MILNER LLP



Irvine, California
October 14, 2020

FAZIO, INCORPORATED 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

	2019	2018
ASSETS		
Investments, at fair value:		
Money Market Fund	$ 2,699	$ 2,274
Mutual Funds	2,490,218	1,961,346
Total investments	2,492,917	1,963,620
Receivables:		
Notes Receivable from Participants	149,568	140,877
Participant Contributions	5,483	7,374
Total receivables	155,051	148,251
Total assets	2,647,968	2,111,871
LIABILITIES		
Excess contributions payable	13,674	–
Total liabilities	13,674	–
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,634,294	$ 2,111,871

The accompanying notes are an integral part of these statements.

FAZIO, INCORPORATED 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2019

ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	$	295,693
Interest and dividends		143,604
Total investment income		439,297
Interest income on notes receivable from participants		7,953
Contributions		
Participant		113,538
Rollover		41
Total contributions		113,579
Total additions		560,829
DEDUCTIONS		
Benefits paid to participants		36,616
Deemed distributions		73
Corrective distributions		217
Administrative expenses		1,500
Total deductions		38,406
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		522,423
NET ASSETS AVAILABLE FOR BENEFITS – beginning of year		2,111,871
NET ASSETS AVAILABLE FOR BENEFITS – end of year	$	2,634,294

The accompanying notes are an integral part of these statements.

1. PLAN DESCRIPTION

The following description of Fazio, Incorporated 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established on January 1, 2007 to provide voluntary retirement benefits and tax-deferred savings opportunities to eligible employees, as defined in the Plan, of Fazio, Incorporated (the "Company'' or "Plan Administrator"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The assets of the Plan are held in a trust by Fidelity Management Trust Company (the "Trustee").

Eligibility

Company employees are eligible to participate in the Plan upon completing one year of service (1,000 hours) by the end of a twelve-month period.

Contributions

Participants may contribute to the Plan through tax-deferred salary reductions up to 15% of compensation, as defined in the Plan. Participants may elect to make a contribution into the Plan of up to $19,000 for 2019. In addition, participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to $6,000 for 2019.

The Company may, at its discretion, make matching contributions. There were no matching contributions for the year ended December 31, 2019.

Investment Options

Upon enrollment in the Plan, participants direct their contributions into various investment options offered by the Plan. Participants may change their investment options or transfer funds at any time based upon policies established by the Plan.

Participant Accounts

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

Vesting

A participant is fully vested immediately as to voluntary contributions, rollovers, related earnings and the Company's safe harbor matching contributions.

1. PLAN DESCRIPTION (continued)

Notes Receivable from Participants

A participant is allowed to borrow a maximum of 50% of his or her vested account balance up to $50,000. The minimum loan amount is $1,000. Loans must be repaid through payroll deductions within five years (except that loans for the purchase of a primary residence may be repaid over ten years). Notes receivable from participants bear interest ranging from 4.25% to 6.50% at December 31, 2019.

Payment of Benefits

Benefits under the Plan begin when a participant retires, becomes disabled, dies, or ceases to be an employee, whichever applies. Normal retirement age is 65. Hardship withdrawals are permitted.

Plan Termination

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

Administrative Expenses

Most administrative expenses are paid by the Company.

Plan Amendments

On December 7, 2018, the Plan was amended to no longer require minimum hours of service to be eligible to participate in the Plan; participants hereafter become eligible upon completing 12 months of service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. 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 or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 4 for further information of fair value measurements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes Receivable from Participants

Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' vested account balances. Notes receivable from participants bear interest ranging from 4.25% to 6.50% at December 31, 2019, with various maturities extending through September 2024.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Loan origination fees associated with notes receivable from participants and other service fees charged to participant balances are reflected in the financial statements as administrative expenses of the Plan. Investment management fees are charged to the Plan as a reduction of investment income reported by the Plan (Note 5). All other expenses of the Plan are paid by the Company.

Corrective Distributions Payable

The Plan is required to refund contributions received during the plan year in excess of IRC limits. At December 31, 2019, the Plan had $13,674 and $0 in corrective distributions payable at December 31, 2019 and 2018, respectively.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Risks and Uncertainties

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

Going Concern

Management is responsible for evaluating whether there is a substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. In connection with preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an organization's ability to continue as going concern within one year after the date that the financial statements are issued. The Plan Sponsor has performed this assessment as of the date these financial statements were issued and no going concern uncertainties were identified.

3. FINANCIAL INFORMATION CERTIFIED BY THE TRUSTEE

Information regarding total investments, notes receivable from participants, net investment appreciation, dividend and interest income on notes receivable from participants as shown in the accompanying financial statements and supplemental schedule H, Line 4i – Schedule of Assets, has been certified to the Plan Administrator by Fidelity Management Trust Company, the Plan Trustee, as being complete and accurate. Accordingly, the Plan Administrator has obtained certifications from the Trustee that the following information included in the accompanying financial statements and the supplemental schedule of assets is complete and accurate:

- Investments at fair value as reflected in the statements of net assets available for benefits of $2,492,917 and $1,963,620 as of December 31, 2019 and 2018, respectively.
- Notes receivable from participants as reflected in the statements of net assets available for benefits of $149,568 and $140,877 as of December 31, 2019 and 2018, respectively.
- Interest and dividends of $143,604, net appreciation in fair value of investments of $295,693, and interest income on notes receivable from participants of $7,953, as reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2019.
- Investments and notes receivable, as reflected in Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019.

Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA states, in part, that any statement of information prepared and certified by the Plan's Trustee need not be audited or reported on by an independent public accountant. Pursuant to that regulation, the Plan Administrator has instructed the Plan's independent public accountants, Squar Milner LLP for 2019 and the predecessor auditor for 2018, not to perform any auditing procedures with respect to information certified by the Trustee.

4. FAIR VALUE MEASUREMENTS

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

The three levels of the fair value hierarchy under FASB Accounting Standards Codification ("ASC") 820 are described below:

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

Level 2 – Inputs to the valuation methodology include:

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

4. FAIR VALUE MEASUREMENTS (continued)

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 Plan had no Level 2 or Level 3 investments at December 31, 2019 and 2018.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. The Plan had no Level 3 investments at December 31, 2019 and 2018.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Mutual funds – These investments are public investment securities valued using the NAV. The NAV is a quoted price in an active market and are classified as Level 1 investments.

Money market funds – This investment is valued at the NAV based on closing prices as reported by the fund and was deemed to be actively traded, and is classified as Level 1 investments.

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

The following tables represent financial assets that have been measured at fair value on a recurring basis. These assets are classified in accordance with the fair value hierarchy:

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Description				
Money Market Fund	$ 2,699	$ –	$ –	$ 2,699
Mutual Funds	2,490,218	–	–	2,490,218
	$ 2,492,917	$ –	$ –	$ 2,492,917

	December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Description				
Money Market Fund	$ 2,274	$ –	$ –	$ 2,274
Mutual Funds	1,961,346	–	–	1,961,346
	$ 1,963,620	$ –	$ –	$ 1,963,620

4. FAIR VALUE MEASUREMENTS (continued)

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 or in or out of Level 3. There were no changes in fair value methodologies at December 31, 2019 and 2018.

5. RELATED PARTY TRANSACTIONS

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Some administrative expenses of the Plan are paid directly by the Company. The Plan holds certain investments managed by Fidelity Investments, an affiliate of the Trustee. Fidelity Management Trust Company is the Plan Trustee and, therefore, these transactions and the Plan's payment of trustee fees to Fidelity Management Trust Company qualify as party-in-interest transactions. Amounts paid by the Plan to parties-in-interest for investment management and administrative services qualify as permitted party-in-interest transactions. Notes receivable from participants held by the Plan are also considered permitted party-in-interest transactions.

6. INCOME TAX STATUS

The Plan is based upon a Prototype Volume Submitter Profit Sharing Plan with CODA document that received tax-exempt status from the Internal Revenue Service in a letter dated March 31, 2014. The Plan has since been amended, however, the Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a tax position that more likely than not would not be sustained upon examination by a tax authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. EXCESS CONTRIBUTIONS

Contributions received from participants for the plan year ended December 31, 2019 and 2018 include $13,674 and $0, respectively, of excess contributions (net of corresponding gains and losses) that were distributed ("corrective distributions") in the subsequent year to certain active participants. The excess deferral contributions, originally contributed in the year ended December 31, 2019, were returned to comply with the participants' applicable maximum annual contributions permitted under the Internal Revenue Code. The amount is included in the Plan's statements of net assets available for benefits as excess contributions payable at December 31, 2019.

8. DELINQUENT PARTICIPANT CONTRIBUTIONS

During 2019, the Plan Sponsor failed to deposit approximately $29,000 of participant contributions and loan repayments within the required timeframe as stated by the United States Department of Labor ("DOL") regulations. Lost earnings to correct this failure were not significant to the Plan. The Plan sponsor will file Form 5330 and pay applicable excise tax in 2020. The excise tax payments will be made from the Plan Sponsor's assets and not from assets of the Plan.

During 2018, the Plan Sponsor inadvertently failed to deposit approximately $5,000 of participant contributions and loan repayments within the required timeframe as stated by the DOL regulations. Lost earnings to correct this failure were not significant to the Plan. The Plan sponsor will file Form 5330 and pay applicable excise tax in 2020. The excise tax payments will be made from the Plan Sponsor's assets and not from assets of the Plan.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the years December 31, 2019 and 2018:

	2019	2018
Net assets available for benefits per the financial statements	$ 2,634,294	$ 2,111,871
Plus: Excess contributions payable	13,674	–
Less: Employee contributions receivable	(5,483)	(7,374)
Net assets per the Form 5500	$ 2,642,485	$ 2,104,497

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

Net increase per the financial statements	$ 522,423
Plus: Current year excess contributions payable	13,674
Plus: Prior year employee contributions receivable	7,374
Less: Current year employee contributions receivable	(5,483)
Net increase per the Form 5500	$ 537,988

10. SUBSEQUENT EVENTS

The Plan evaluated subsequent events for their potential impact on the accompanying financial statements and disclosures through October 14, 2020, which is the date the accompanying financial statements were available to be issued.

10. SUBSEQUENT EVENTS (continued)

The Plan has implemented certain requirement by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act"), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayment, suspend required minimum distributions, and delay the commencement date for required minimum distributions.

With respect to the ongoing and evolving coronavirus ("COVID-19") outbreak, which was designated as a pandemic by the World Health Organization on March 11, 2020, the outbreak has caused substantial disruption in the international and U.S. economies and markets. The extend of the impact of COVID-19 outbreak on the Plan's investments and amounts reported in the statement of net assets available for benefits as of December 31, 2019 cannot be predicted at this time.

SUPPLEMENTAL SCHEDULES

FAZIO, INCORPORATED 401(k) PLAN
SCHEDULE H, LINE 4a- SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
E.I.N. 95-2314795; PLAN NO. 001
December 31, 2019

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☑	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Year ended December 31, 2019 which consisted of four late deposits	$ 28,651	$ –	$ –	$ –
Year ended December 31, 2018 which consisted of one late deposit	$ –	$ –	$ –	$ 4,645

FAZIO, INCORPORATED 401(k) PLAN
SCHEDULE H, LINE 4i -SCHEDULE OF ASSETS (HELD AT END OF YEAR)
E.I.N. 95-2314795; PLAN NO. 001
December 31, 2019

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current value
	Money Market Fund:			
*	Fidelity	Fidelity Government Money Market Fund	**	$ 2,699
	Mutual Funds:			
*	Fidelity	Fidelity Freedom 2030 Fund	**	841,918
*	Fidelity	Fidelity Freedom 2035 Fund	**	298,545
*	Fidelity	Fidelity Freedom 2025 Fund	**	217,551
*	Fidelity	Fidelity Freedom 2020 Fund	**	208,727
*	Fidelity	Fidelity Export and Multinational Fund	**	205,606
*	Fidelity	Fidelity Freedom 2015 Fund	**	181,247
*	Fidelity	Fidelity Overseas Fund	**	160,691
*	Fidelity	Fidelity Value Fund	**	139,957
*	Fidelity	Fidelity Freedom 2050 Fund	**	66,795
*	Fidelity	Fidelity Mid-Cap Stock Fund	**	51,197
*	Fidelity	Fidelity Freedom 2040 Fund	**	47,739
*	Fidelity	Fidelity Small Cap Value Fund	**	30,113
*	Fidelity	Fidelity Intermediate Bond Fund	**	18,170
*	Fidelity	Fidelity Investment Grade Bond Fund	**	16,491
*	Fidelity	Fidelity Freedom 2055 Fund	**	5,461
*	Fidelity	Fidelity Fund	**	10
	Total investments			2,490,218
*	Notes receivable from participants	Interest rates of 4.25% to 6.50% with various maturity dates through September 2024.		149,568
				$ 2,642,485

* Party-in-interest
** Historical cost information is not required for participant directed investments.