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
- [X] 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
SEBASTIAN HEALTH TRUST

1b Three-digit plan number (PN) ▶ 502

1c Effective date of plan 01/01/2015

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)
SEBASTIAN ENTERPRISES, INC

811 SOUTH MADERA AVE
KERMAN, CA 93630

2b Employer Identification Number (EIN)
77-0073615

2c Plan Sponsor's telephone number
559-846-9311

2d Business code (see instructions)
517000

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.	07/23/2021	RHONDA ARMSTRONG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/23/2021	RHONDA ARMSTRONG
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
a Sponsor's name
c Plan Name

4b EIN

4d PN

5	Total number of participants at the beginning of the plan year	**5**	117
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)**	117
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	132
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	132
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	
f	Total. Add lines **6d** and **6e**.	**6f**	
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	
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:

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

4A 4B 4D

9a Plan funding arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(4)** [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] Trust
- **(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)** [ ] **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)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code_____

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

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

A Name of plan
SEBASTIAN HEALTH TRUST

B Three-digit plan number (PN) ▶ 502

C Plan sponsor's name as shown on line 2a of Form 5500
SEBASTIAN ENTERPRISES, INC

D Employer Identification Number (EIN)
77-0073615

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	279906	526285
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		37317
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		33184
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	279906	596786
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		81479
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	81479
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	279906	515307

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)	1133287	
	(B) Participants	2a(1)(B)	174077	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1307364
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1307364
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1047233	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1047233
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	24730	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		24730
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1071963
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		235401
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] 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 [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ALDRICH CPA AND ADVISORS. LLP **(2)** EIN: 93-0623286

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	
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	
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			

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.)

Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

To the Trustees
Sebastian Enterprises, Inc Health Trust
7600 N Palm Ave.
Fresno, CA 93711

In planning and performing our audit of the financial statements of Sebastian Enterprises, Inc Health Trust (the Trust or Plan) as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of issuing our report on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the Plan's internal control to be material weaknesses:

Employer QNEC Calculation
During our testing we noted four instances where the employer QNEC was calculated at an incorrect rate.

We recommend that management implement procedures to review the calculations of the Employer Match at least annually to determine if any participants received less than the total match required under the Plan document.

Prior Year Testing
During our testing we noted multiple instances where prior year information and reports were unavailable.

We recommend that management implement procedures to retain documentation required under ERISA.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Plan's internal control to be significant deficiencies:

Late Form 5500 Filing
The Plan is required to submit a Form 5500 annually. The Form 5500 is due by July 31 of each year. An extension can be filed which allows for the filing of the return by October 15. During our audit, we noted the Plan did not file the Form 5500 for the year ended December 31, 2019 by the required deadline. The Form 5500 can only be filed after completion of the required audit.

We recommend management work to establish controls with their Plan Administrator to ensure that Plan records are accurate and complete in order to allow the benefit plan audit process to be completed before the filing deadline. Management should work with the plan provider and attorney to assess any needed corrective actions.

During the course of our audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions are summarized as follows:

Participant Data – Demographic
During our testing, we noted that the effective date listed on the census for many participants was not 60 days after their date of hire (DOH).

We recommend that Management implement procedures to review all information on the census and used in the administrator of the Plan to confirm it is correct.

Trustee Meeting Minutes
During the audit, we noted that no formal minutes are maintained for actions taken by the trustees of the Plan.

The Plan's trustees have the fiduciary responsibility to act in a prudent manner; therefore, we recommend that Plan business be separately identified and recorded in minutes of meetings of the board of trustees. In addition to documenting the adoption of plan amendments, these minutes should evidence that the trustees are reviewing and monitoring the Plan's investment performance, monitoring service providers, approving retiree benefits, approving discretionary employer contributions (as applicable), approving the annual audit of the Plan and other such Plan activity on a periodic basis.

This communication is intended solely for the use of the Trustees of the Sebastian Enterprises, Inc Health Trust, and others within the Plan, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Aldrich CPAs + Advisors LLP

Lake Oswego, Oregon
July 7, 2021

Sebastian Enterprises, Inc Health Trust

Financial Statements

December 31, 2019 (Audited) and 2018 (Compiled)

Aldrich SM

SEBASTIAN ENTERPRISES, INC HEALTH TRUST

Financial Statements

December 31, 2019 (Audited) and 2018 (Compiled)

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Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

INDEPENDENT AUDITORS' REPORT

To the Trustees
Sebastian Enterprises, Inc Health Trust
7600 N Palm Ave.
Fresno, CA 93711

Report on the Financial Statements
We have audited the accompanying financial statements of Sebastian Enterprises, Inc Health Trust (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Sebastian Enterprises, Inc Health Trust as of December 31, 2019 and the changes in net assets available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - Report on Compiled 2018 Financial Statement
We have compiled the accompanying statement of net assets available for benefits of the Plan as of December 31, 2018 and the related notes to the financial statement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Plan management is responsible for the accompanying 2018 financial statement. We did not audit or review the accompanying statement of net assets available for benefits as of December 31, 2018 and the related notes to the financial statement, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Plan management. Accordingly, we do not express an opinion, or conclusion, nor provide any form of assurance on the 2018 financial statement.

Aldrich CPAs + Advisors LLP

Lake Oswego, Oregon
July 7, 2021

SEBASTIAN ENTERPRISES, INC HEALTH TRUST

Statements of Net Assets Available for Benefits

December 31, 2019 (Audited) and 2018 (Compiled)

	(Audited) 2019	(Compiled) 2018
ASSETS		
Noninterest-bearing cash	$ 526,285	$ 279,906
Receivables:		
Employer contribution	37,317	-
Other receivables	33,184	-
Total Receivables	70,501	-
Total Assets	596,786	279,906
LIABILITIES		
Other payables	81,479	-
Total Liabilities	81,479	-
Net Assets Available for Benefits	$ 515,307	$ 279,906

SEBASTIAN ENTERPRISES, INC HEALTH TRUST

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2019 (Audited)

Additions to Net Assets Attributed to:		
Contributions:		
Participants	$	174,077
Employer		1,133,287
Total Additions		1,307,364
Deductions from Net Assets Attributed to:		
Benefits paid		1,047,233
Administrative expenses		24,730
Total Deductions		1,071,963
Change in Net Assets		235,401
Net Assets Available for Benefits at Beginning of Year		279,906
Net Assets Available for Benefits at End of Year	$	515,307

See accompanying notes to financial statements.

Note 1 - Description of the Plan

The following description of the Sebastian Enterprises, Inc Health Trust (the Trust or Plan) provides only general information about the Trust's provisions. Participants should refer to the Trust Agreement for a complete description of the Trust's provisions.

General
The Trust was created January 1, 2015 and covers all regular full-time employees of Sebastian Enterprises, Inc. (the Company) who receive prevailing wage contributions and their spouse, or dependents who is enrolled in one or more Subsidiary Contracts. The Trust is made available to employees of the members who satisfy qualification standards prescribed under the Trust. The Trust is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions
The cost of benefits offered under the Plan is either covered by contributions from the Company as determined by the wage schedule for contracts won by the Company for rates of prevailing wage fringe contributions, contributions by participants, or a combination thereof. The Company will contribute the difference between participant premiums and the amount required to pay benefits under the Plan to the Trust for payment of benefits.

Participant Accounts
Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and charged with an allocation of premium payments and administrative expenses. Allocations are made in a manner which recognizes each participant's account balance and timing of contributions and withdrawals.

Payment of Benefits
The Trust provides a group health plan, a group dental plan, a group vision plan, a group life insurance plan and a group long-term care plan to eligible employees and covered dependents who meet the eligibility criteria of their employer through insurance contracts. The Trust also provides benefits to terminated and retired employees making personal contributions for a period as determined by the Trust.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Plan are prepared on the accrual basis of accounting.

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

Cash
The Trust maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor per bank.

The Trust has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash.

Payments of Benefits
Benefits are recorded when paid.

Note 2 - Summary of Significant Accounting Policies, continued

Administrative Expenses
Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. The Plan permits the payment of Plan expenses to be made from the Plan's assets. Fees are charged to participants on a pro rata basis, equally to participant accounts, or specifically to a participant account for transactions specifically related to that participant.

Subsequent Events
The Trust has evaluated subsequent events through July 7, 2021, the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization characterized the outbreak of the coronavirus (COVID-19) as a global pandemic. The Trust evaluated subsequent events including the impact of the COVID-19 virus. The Trust believes, it understands the risks associated with COVID-19 and is in the process of implementing risk mitigation tactics for the Trust as to the impact, if any, of COVID-19 related to all aspects of the Trust's business transactions with customers and vendors and human interaction within and outside of the Trust.

Note 3 - 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.

Note 4 - Tax Status

The Trust established under the Plan to hold the Plan's net assets is qualified pursuant to Section 501(c)(9) of the Internal Revenue Code (IRC) and accordingly, is exempt from income taxes.

The Trust has obtained a favorable determination letter from the Internal Revenue Service (IRS) dated July 17, 2017. The Plan administrator believes that the Trust, as amended, continues to qualify and operate as designed. Therefore, no provision for income taxes has been included in the Trust's financial statements.

The Trust follows accounting standards related to the recognition of uncertain tax positions. These standards provide detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. These standards require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position would not be substantiated if examined by a taxing authority.

Management has determined that the Trust has no uncertain tax positions as of December 31, 2019 and 2018. The Trust recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provisions, as applicable. The Trust files informational returns in the United States, state and local jurisdictions.

ELECTRONIC FILING AUTHORIZATION of Amended Return

Sebastian Health Trust
EIN / PN: 77-0073615 / 502
For the Plan Year Ending December 31, 2019

Please sign in only one of the following boxes:

☑ **Part I: AUTHORIZE ALDRICH RETIREMENT SOLUTIONS LP TO ELECTRONICALLY SIGN AND FILE ON YOUR BEHALF**

I hereby authorize Aldrich Retirement Solutions LP to electronically sign and file the annual Form 5500 or 5500-SF return/report through EFAST2.

I understand that in granting this authority:

- I must manually sign and date the attached page 1 of Form 5500 or 5500-SF and provide a copy of that signature page to Aldrich before the electronic filing can be initiated
- Aldrich will retain a copy of this written authorization in its records
- Aldrich will notify the individual(s) signing as plan administrator/employer about any inquiries and information it receives from EFAST2, DOL, IRS or PBGC regarding this annual return/report
- A copy of my signature, as it appears on page 1 of Form 5500 or 5500-SF, will be included with the return/report posted by the DOL on the Internet for public disclosure
- Aldrich shall not be deemed an administrator or other fiduciary with respect to any Plan solely on account of the services performed under this authorization

This authorization is applicable only to the filing for the above named Plan and applies only for the Plan year end stated above.

Plan Administrator _____ Date 7/23/2021

☐ **Part II: DECLINE PART I AND FILE FORM 5500 YOURSELF**

I hereby decline Part I and elect to electronically file the Plan's Form 5500 or 5500-SF return/report for the Plan year end stated above.

I understand that in order to initiate this process, I must still sign and date this form as well as the attached page 1 of Form 5500 or 5500-SF and provide a copy to Aldrich Retirement Solutions LP.

Plan Administrator _____ Date _____

ARS will retain this authorization.
Do not submit this form to the DOL unless requested to do so.

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.)
- ☒ a single-employer plan
- ☐ a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
SEBASTIAN HEALTH TRUST

1b Three-digit plan number (PN) ▶ 502

1c Effective date of plan 01/01/2015

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)
SEBASTIAN ENTERPRISES, INC

811 SOUTH MADERA AVE

KERMAN CA 93630

2b Employer Identification Number (EIN) 77-0073615

2c Plan Sponsor's telephone number (559)846-9311

2d Business code (see instructions) 517000

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	Rhonda Armstrong	7/23/21	Rhonda Armstrong
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Rhonda Armstrong	7/23/21	Rhonda Armstrong
	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

SEBASTIAN HEALTH TRUST

EIN 77-0073615

Plan No. 502

Statement of Reasonable Cause for Late or Missing IQPA Report

2019 was the first Plan Year that an audit was required. As soon as the Plan sponsor was made aware the services of an available CPA were retained. The Plan sponsor ran into numerous issues being able to obtain the data required for the filing and audit due to their offices and the CPA offices being closed during COVID. The data was all hard copy information and not accessible electronically. As soon as possible the data was obtained and provided to the CPA. The 2019 5500 was filed timely with Schedule I and not Schedule H until the data and appropriate audit could be obtained and this amended return filed.