# 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

**2020**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**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
DLC MANAGEMENT 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/2001

**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)
DLC MANAGEMENT CORPORATION

565 TAXTER ROAD
ELSMFORD, NY 10523

**2b** Employer Identification Number (EIN)
13-3618297

**2c** Plan Sponsor's telephone number
914-631-3131

**2d** Business code (see instructions)
531310

**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. | 10/12/2021 | LEE TU |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

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

**3b** Administrator's EIN

**3c** Administrator's telephone number

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

**a** Sponsor's name

**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 159 |
| **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)** | 114 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 111 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 42 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 153 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 153 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 132 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 7 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

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

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [ ] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [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)** | [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)** | [ ] | 0 | **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 2020 Form M-1 annual report. If the plan was not required to file the 2020 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<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2020**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| DLC MANAGEMENT 401(K) PLAN | 001 |

| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
|---|---|
| DLC MANAGEMENT CORPORATION | 13-3618297 |

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 37 60 64 65 | RECORDKEEPER | 1125 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

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

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

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

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

**Part I Service Provider Information (continued)**

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

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| COL ACORN I - COLUMBIA MGT INVESTM<br>PO BOX 219104<br>KANSAS CITY, MO 64121-9104 | 0.40% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| LOOMIS SM CAP VAL R - DST ASSET MA<br>430 W 7TH STREET STE 219432<br>KANSAS CITY, MO 64105 | 0.40% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| NORTHERN SM CAP VAL - NORTHERN TRU<br><br>36-2723087 | 0.40% |

**Part I Service Provider Information (continued)**

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

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| NORTHERN SM CAP VAL - NORTHERN TRU<br><br>36-2723087 | 0.40% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|---|
| WA INFL IDX PL BD I - BNY MELLON I | P.O. BOX 9793<br>PROVIDENCE, RI 02940 | 0.10% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|---|
| 3RD AV VALUE IS - BNY MELLON INVES | P.O. BOX 9793<br>PROVIDENCE, RI 02940 | 0.40% |

## 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)**<br>(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

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
DLC MANAGEMENT 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
DLC MANAGEMENT CORPORATION

**D** Employer Identification Number (EIN)
13-3618297

## 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 reported 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) | 442080 | 582799 |
| **(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) | 29578 | 108917 |
| **(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) | 129198 | 142467 |
| **(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) | 6391320 | 7125343 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 0 | 0 |
| **(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** | 6992176 | 7959526 |
| | **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** | 6992176 | 7959526 |

## 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)** | 153210 | |
| | **(B)** Participants | **2a(1)(B)** | 736041 | |
| | **(C)** Others (including rollovers) | **2a(1)(C)** | 164613 | |
| | **(2)** Noncash contributions | **2a(2)** | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | **2a(3)** | | 1053864 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | **2b(1)(A)** | 1407 | |
| | **(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)** | 10047 | |
| | **(F)** Other | **2b(1)(F)** | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | **2b(1)(G)** | | 11454 |
| | **(2)** Dividends: **(A)** Preferred stock | **2b(2)(A)** | 0 | |
| | **(B)** Common stock | **2b(2)(B)** | 137 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | **2b(2)(C)** | 338601 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | **2b(2)(D)** | | 338738 |
| | **(3)** Rents | **2b(3)** | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | **2b(4)(A)** | 37308 | |
| | **(B)** Aggregate carrying amount (see instructions) | **2b(4)(B)** | 30952 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | **2b(4)(C)** | | 6356 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | **2b(5)(A)** | 0 | |
| | **(B)** Other | **2b(5)(B)** | 12609 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | **2b(5)(C)** | | 12609 |

| | | (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) | | 665975 |
| **c** Other income | 2c | | 0 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2088996 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1120521 | |
| **(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) | | 1120521 |
| **f** Corrective distributions (see instructions) | 2f | | 0 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| **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) | 1125 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 1125 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1121646 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | 967350 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | 0 |
| **(2)** From this plan | 2l(2) | | 0 |

## 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** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

**(1)** Name: SECENDORF HASSON & REILLY **(2)** EIN: 90-0436485

**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 | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| **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 | |
| **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** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# 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

**2020**

**This Form is Open to Public Inspection.**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
DLC MANAGEMENT 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
DLC MANAGEMENT CORPORATION

**D** Employer Identification Number (EIN)
13-3618297

## 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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **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_____

# DLC MANAGEMENT 401(K) PLAN

## FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2020 AND 2019

**Seckendorf, Hasson, Reilly & Kobay CPA's, LLC**
**Certified Public Accountants**

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# SECKENDORF HASSON REILLY & KOBAY CPA'S, LLC

**CERTIFIED PUBLIC ACCOUNTANTS**

Bruce S. Seckendorf, CPA
David M. Hasson, CPA, PFS
Robert P. Reilly, CPA
Justin D. Kobay, CPA

3000 Marcus Avenue, Suite 1 W 5
Lake Success, New York 11042
(516) 488-8400 Fax: (516) 488-8487

## INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
DLC Management
401(k) Plan

We were engaged to audit the accompanying financial statements of DLC Management 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2020 and 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

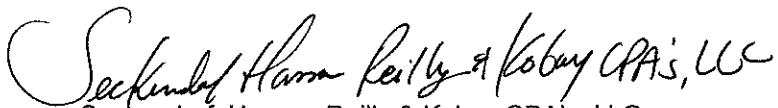
Because of the significance of the matter described in the Basis for Disclaimer of Opinion Paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental schedules (Schedule of Assets held for Investment Purposes) as of or for the year ended December 31, 2020 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 the supplemental schedules referred to above.

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

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



Seckendorf, Hasson Reilly & Kobay CPA's, LLC
Certified Public Accountants

September 22, 2021
Lake Success, New York

**DLC MANAGEMENT**
**401(k) Plan**
**Statements of Net Assets Available for Benefits**
**As of December 31, 2020 and 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| Investments at Fair Market Value | $ 7,234,261 | $ 6,420,898 |
| Notes Receivable from Participants | $ 142,467 | $ 129,198 |
| Cash and Cash Equivalents | 582,798 | 442,080 |
| Total Assets: | 7,959,526 | 6,992,176 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 7,959,526 | $ 6,992,176 |

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

**DLC MANAGEMENT**
**401 (k) Plan**
**Satement of Changes in Net Assets Available for Benefits**
**For the Year ended December 31, 2020**

| | |
|---|---|
| Additions to net assets attributed to: | |
| Investment Income : | |
| Net appreciation in fair value of investments | $ 1,023,541 |
| Dividends and interest income | 1,544 |
| Total investment income | 1,025,085 |
| Interest income on participant notes | 10,047 |
| Contributions: | |
| Participants | 736,041 |
| Employer | 153,210 |
| Rollovers | 164,613 |
| Total Contributions | 1,053,864 |
| Total additions | 2,088,996 |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | 1,120,521 |
| Administrative Expenses | 1,125 |
| Total deductions | 1,121,646 |
| NET INCREASE IN NET ASSETS | 967,350 |
| Net assets available for plan benefits | |
| Beginning of Year | $ 6,992,176 |
| End of Year | $ 7,959,526 |

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

## NOTE 1: DESCRIPTION OF PLAN

### General

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

The Plan is a defined contribution plan that was established on January 1, 2001 by DLC Management (the Company) covering all employees of the Company. All employees, except those who may be covered under a collective bargaining agreement, are eligible to make elective deferral contributions, and are eligible for employer matching contributions. Employees hired are automatically enrolled in the plan as of the first day of each month. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The plan was amended and restated effective January 1, 2019 to comply with recent updates in regulatory requirements.

### Administration

The company has contracted with Fidelity Management Trust Company to act as trustee, custodian and to process and maintain the records of participant data.

### Eligibility

All employees that are not a resident of Puerto Rico, not covered by a collective bargaining agreement, and are not a nonresident alien with no income from a U.S. source, as defined in the Plan agreement, are eligible to participate in the plan and can enter into the plan on the first day of each plan year month.

### Participant Contributions

Each year participants may contribute a portion of their annual compensation, as defined in the Plan limited to the maximum ($19,500 under 50 and $26,000 over 50 for 2020) permitted by the Internal Revenue Code. Participants may designate all or a portion of their contributions as a Roth elective deferral. Participants may also contribute amounts representing distributions from other qualified plans, if certain requirements are met. All participants who have attained the age of 50 may make catch up contributions to the plan. The plan does not allow rollovers of designated Roth contributions.

Tax laws limit the amount of compensation that may be taken into account each plan year, the maximum amount for the 2020 plan year is $285,000. Federal law requires that amounts contributed by the participant or the employer for a given limitation may not exceed the lower of $57,000 or 100% of your annual compensation.

A participant may change or revoke his salary reduction agreement as of each entry date. All amounts contributed to the Plan are directly invested in the participant accounts according to their investment elections. Participants may direct their investments and employer matching contribution by choosing from various investment options offered by the trustees.

### Employer Contributions

The employer may make a basic matching employer contribution on behalf of each eligible participant in an amount equal to the percentage declared for the contribution period limited to 75% of their compensation, if any, by a board of directors' resolution of the deferral contributions made by each participant during the contribution period.

**NOTE 1: DESCRIPTION OF PLAN (Continued)**

Participants eligible for catch up contributions are permitted to contribute in excess of the specified deferral limit up to 100% of the participant's affectively available compensation.

Discretionary employer qualified non elective contributions may be made for each plan year in an amount determined by the employer for all eligible participants. The voluntary employee contribution with employer match is equal to 50% of employee's contribution up to 4% of base salary. The participation begins immediately upon participants start date. The employer match begins to phase in after twelve months of service with vesting period over a 5 year period.

Participant Accounts

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

Vesting

Participants are immediately 100% vested in their Rollover Contributions, Qualified Matching Contributions, Qualified Non-elective Contributions, Deferral Contributions and any earnings thereon. The Employer Matching Contributions and Employer Non-elective Contributions and any earnings thereon, is 0% vested until one year of service, increasing each year incrementally by 20% and is 100% vested after five years of credited service.

Investments

Upon enrollment in the Plan, Participants may direct the investment of all of their accounts. It is intended that the plan meets the requirements of ERISA section 404(c) by providing the participants with sufficient information for them to make informed investment choices. Participants may change their investment options at any time. The value of each of the accounts is established as of the valuation date under the plan and the valuation date is daily. With respect to those Participant Accounts for which Investment Fiduciary investment direction is elected, the Investment Fiduciary shall direct the Trustee with respect to the investment and reinvestment of assets in the Permissible Investments. With respect to those Participant Accounts for which Participant investment direction is elected, each Participant shall direct the investment of his Account among the Permissible Investments.

Withdrawals

Participants who attain the age of 59 ½ may withdraw all or a portion of their vested account balance while still employed. Participants, after attaining the age of 70 ½ may receive distributions calculated in the same manner as minimum required distribution. Any balance resulting from rollover contributions may be withdrawn as well. Financial hardship withdrawals are limited to the amount of the participant's elective deferral contributions (but none of the income earned on such contributions). Hardship withdrawals are limited and are subject to federal rules. Prior to the amendment affective January 1, 2019 participants were not permitted to take hardship withdrawals of amounts credited to his qualified matching employer contributions account, now they are permitted to do so. Please refer to the plan document for more details on the amendment of hardship withdrawals.

**NOTE 1: DESCRIPTION OF PLAN (Continued)**

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of the participants vested account balance reduced by their highest outstanding loan balance in their account during the prior 12 month period, whichever is less. The loans are secured by up to 50% of the participants account balance and bear interest at a rate reasonable at the time of application, considering the purpose of the loan and the rate being charged by representative commercial banks in the local area for a similar loan. The loan agreement shall provide for the payment of principal and interest not less frequently than quarterly. All loans must be repaid within five years except for purchase of principle residence which may not exceed a ten year period. Participants may have only one loan outstanding at any given time. For loans qualifying under the Disaster Relief Act, TCJA, and the BBA, the dollar limit in may be increased to $100,000 and the portion of the participants vested account balance that may be used is 100%.

The loan may be paid over a 6 year period, not requiring payments for the first 12 months of the loan. The specific terms and conditions of such notes receivable are established by the plan administrator.

Payment of Benefits

Distributions from the plan may only be made after specific events have occurred. Participants are eligible for a distribution upon termination of employment, death, disability, or retirement, and are paid in accordance with the Plan provisions. Participants may be eligible to receive distributions in the case of financial hardships predicated on certain conditions. A participant who withdraws funds due to hardship is not permitted to make any elective deferrals for at least six months after their receipt of the hardship distribution.

Participants are allowed to receive in-service distributions upon attaining age 59 ½. The Plan allows a distribution of their vested account balance if it does not exceed $5,000, regardless of whether the participant consents to receive it upon termination before normal retirement age. If the participants terminate employment with the employer after normal retirement age, the plan will distribute their account without their consent.

On September 23, 2019, the IRS published final regulations amending the rules governing hardship distributions from 401(k) and 403(b) plans pursuant to changes contained in the Bipartisan Budget Act of 2018 (Act). The IRS' final regulations make the following key changes: (1) requiring plans to eliminate the six-month suspension of contributions following a hardship distribution made on or after January 1, 2020; (2) permitting plans to eliminate the requirement that participants obtain all available plan loans prior to receiving a hardship distribution; (3) expanding the types of contribution sources available for hardship distributions; (4) adding a new type of safe harbor hardship expense for losses relating to a federally-declared disaster; and (5) updating the administrative process required to document that the distribution is necessary to meet the financial need

Forfeitures

Forfeitures are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future Employer matching contributions the employer makes to the Plan. As of December 31, 2020, and 2019, forfeitures of $15,048 and $22,212 respectively were available to reduce the Plan's administrative expenses and future employer contributions.

## NOTE 1: DESCRIPTION OF PLAN (Continued)

Administrative Expenses

The cost of administering the Plan other than individual account service charges are paid by the Company. Loan set up fees and other sundry fees are charged directly to the participants" account and are included in administrative expenses. The current year fee totaled to $1,125.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates

Investment Valuation and Income Recognition as Determined by Fidelity Management Trust Company

Investments of the plan are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 9 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year. The plan presents in its statements of changes in net assets available for benefits the net appreciation in the fair value of its investments which consists of only realized gains.

Payment of Benefits

Benefits are recorded when paid.

## NOTE 3: RISKS AND UNCERTAINTIES

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

As a result of COVID-19, there has been heightened market risk and volatility associated with the pandemic, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits, as mentioned above. Because of the uncertainty of the markets during this time, Plan management is unable to estimate the total impact the pandemic will have.

## NOTE 4: UNAUDITED FINANCIAL INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY

Supplemental schedules are attached following the notes representing investments at December 31, 2020 of the Plan at fair value which was furnished to the Plan administrator by Fidelity Management Trust Company.

## NOTE 5: TAX STATUS

The Internal Revenue Service has determined in a letter dated March 31, 2014 that the plan document was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). Although the Plan document has been amended since receiving the opinion letter, the Plan Administrator believes that the Plan and related trust are designed, and are currently being operated, in compliance with applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the various taxing authorities and government agencies. The Plan Administrator has analyzed the tax position taken by the Plan, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, the Plan was not audited since inception and there are currently no audits for any tax periods in progress.

## NOTE 6: NON-DISCRIMINATION

The Internal Revenue Code requires that a Qualification Test be performed to assure that employee deferrals do not discriminate in favor of highly compensated employees.

## NOTE 7: RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds or money market funds managed by Fidelity Investments Institutional Operations Company, Inc. which is a related entity to Fidelity Management Trust Company, the Trustee, and therefore, these mutual fund and money market fund transactions qualify as party-in-interest transactions. Notes receivable from participant are also party-in-interest transaction.

## NOTE 8: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to amend or terminate the Plan at any time, subject to the provisions of ERISA. In the event that the Plan is terminated in the future, participants would become fully vested in their accounts.

## NOTE 9: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

**NOTE 9: FAIR VALUE MEASUREMENTS (Continued)**

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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 assets or liabilities; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

**Mutual funds:**

Valued at the net asset value (NAV) of shares held by the Plan at year end based upon quoted market prices determined in an active market.

**Common stocks:**

Valued at the closing price reported on the active market on which the individual securities are traded.

**Common collective trusts:**

Valued at net asset value (NAV) as provided by the administrator of the trust.

**Money market funds:**

Valued at the closing price of shares held by the Plan at year end

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020.

**NOTE 9: FAIR VALUE MEASUREMENTS (Continued)**

| | Assets at Fair Value as of December 31, 20 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $7,125,344 | $ | $ | $7,125,344 |
| Common stocks & bonds | 108,917 | - | - | 108,917 |
| Net Investments at Fair Market Value | 7,234,261 | - | - | 7,234,261 |
| Cash and Cash Equivalents | 582,798 | - | - | 582,798 |
| Total Assets at Fair Value | $7,817,059 | $0 | $0 | $7,817,059 |

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

| | Assets at Fair Value as of December 31, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $6,391,320 | $ | $ | $6,391,320 |
| Common stocks & bonds | 29,578 | - | - | 29,578 |
| Net Investments at Fair Market Value | 6,420,898 | - | - | 6,420,898 |
| Cash and Cash Equivalents | 442,080 | - | - | 442,080 |
| Total Assets at Fair Value | $6,862,978 | $0 | $0 | $6,862,978 |

**NOTE 10: SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events through September 22, 2021 the date the financial statements were available to be issued.

On August 27, 2021, the plan was amended for participant eligibility requirements. A participant shall only be entitled to receive nonelective employer contributions for a plan year if the participant is an active participant during the Plan Year and either earns at least 501 hours of service during the plan year or is employed by the employer or a related employer on the last day of the plan year.

**NOTE 11: RECENTLY ADOPTED ACCOUNTING STANDARDS**

On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (the "CARES Act") was Enacted. The CARES Act contains provisions that will temporarily impact the Plan including allowing certain eligible Plan participants to receive coronavirus related distributions, delaying participant loan repayments, and increasing the maximum amount of such participant loans, and suspending required minimum distributions.

**NOTE 11 RECENTLY ADOPTED ACCOUNTING STANDARDS (Continued)**

In a collective trust fund from the illustrative example in paragraph 962-325-55-17 to avoid the interpretation that such an investment would never have a readily determinable fair value and, therefore, would always use the net asset value per share practical expedient. Rather, a plan should evaluate whether a readily determinable fair value exists to determine whether those investments may qualify for the practical expedient to measure at net asset value in accordance with topic 820.

The guidance is effective for fiscal years beginning after December 15, 2018. The guidance is to be applied prospectively as it affects the fair value disclosure only. The plan is currently evaluating the impact of adopting ASU 2018-09 on the Plans financial statements

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement: Disclosure framework – changes to the disclosure requirements for fair value measurements. ASU 2018-13 modifies certain disclosure requirements on fair value measurements in Topic 820. The guidance is effective for fiscal years beginning after December 15, 2019. The guidance is to be applied prospectively, depending provisions. The plan is currently evaluating the impact of adopting ASU 2018-13 on the plans financial statements.

Effective December 30, 2021, and thereafter the AICPA has published new statements of auditing standards, they are as follows.

SAS No. 134 changes the form and content for all auditor's reports under Generally Accepted Auditing Standards (GAAS). The changes are intended to enhance the communicative value and relevance of the auditor's report. It establishes a new auditing standard, AU-C Section 701, Communicating Key Audit Matters in the Independent Auditor's Report (Section 701).

Section 701 addresses the auditor's responsibility to communicate key audit matters (KAMs) in the auditor's report if and when the auditor is engaged. The purpose of communicating KAMs is to provide greater transparency about the audit to the financial statement's external users. The new standard addresses both the auditor's judgment about what to communicate as well as the form and content of such communication.

The new standard does not require the communication of KAMs in the auditor's report. Those charged with governance decide for their organization whether or not the auditor reports on KAMs in the auditor's report. KAMs are communicated with those charged with governance that, in the auditor's professional judgment, were of most significance in the audit. KAMs may include, among other things:

Higher assessed risk of material misstatement areas or significant risks;

Areas that required considerable auditor judgment, such as accounting estimates; or

Significant events or transactions in the current period.

In addition, SAS No. 134 expanded the descriptions of management's responsibilities relating to going concern evaluations and of the auditor regarding professional judgment and professional skepticism, going concern, and communications with those charged with governance.

SAS No. 135 amends AU-C 260, Communication with Those Charged with Governance, and AU-C 550, Related Parties, as well as various other sections. These amendments are intended to enhance audit quality by heightening the auditor's focus on related parties and transactions with related parties and significant unusual transactions. Also, the new standard creates new communication requirements for:

## NOTE 11 RECENTLY ADOPTED ACCOUNTING STANDARDS (Continued)

SAS No. 136 requires enhanced audit quality and a revised auditor's report on ERISA plan financial statements to provide better insight into the responsibilities of both management and the auditor. AU-C section 703 was newly created, and AU-C 700 no longer applies for ERISA plans. An ERISA limited scope audit is now referred to as an ERISA section 103(a)(3)(C) audit, and the election to exclude certain investments is no longer considered a scope limitation. There are changes to audit procedures for ERISA section 103(a)(3)(C) audit, including

Precondition that the auditor inquire as to how management determined the entity preparing and certifying the investment information is a qualified institution

Emphasis that the auditor is required to determine the information that is certified and not certified to conclude which is required to be audited

Also, there is a new form of opinion and changes to the auditor report for ERISA section 103(a)(3)(C) audit, including

A two-part opinion addressing information not covered by the certification and procedures required by the SAS that were performed on the certified information

SAS No. 137 clarifies that the auditor is required to apply procedures only to other information included in annual reports (or similar documents). It revises procedures to require the accountant to remain alert for misleading data, including if it omits or obscures information necessary for a proper understanding of a matter disclosed in the other report. It requires a separate section to be included in the auditor's report addressing additional information.

SAS No. 138 eliminates inconsistencies between the AICPA Professional Standards and the definition of materiality used by the U.S. judicial system and other U.S. standard setters and regulators.

SAS No. 139 includes technical corrections to align with new auditor reporting language for statements prepared following special purpose frameworks, single financial statements and specific elements, accounts or items of a financial statement, and summary financial statements. The new standard also includes updates to going concern considerations irrespective of whether the going concern basis of accounting is relevant to preparing the special purpose financial statements. The requirements of Section 570 apply regarding the auditor's responsibilities to perform the following:

Based on the audit evidence obtained, conclude whether, in the auditor's judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the entity's ability to continue as a going concern.

When such reasonable doubt exists, evaluate the adequacy of the financial statement disclosures.

SAS No. 140 amends the auditing standards to incorporate changes from SAS No. 134 and 137 to include

Supplementary Information (SI) and Required Supplementary Information (RSI) to be presented in a separate section of the audit report, not in the Emphasis of Matter (EOM) or Other Matter (OM) paragraphs. It must indicate that RSI is the responsibility of management.

The initial effective dates of these seven SASs were for audits of private company financial statements for periods ending on or after December 15, 2020. The AICPA's Auditing Standards Board decided to defer the effective dates due to the COVID-19 pandemic for one year, making these seven SASs effective for audits of calendar year-end 2021 financial statements. The deferral means these seven SASs are effective for periods ending on or after December 15, 2021.

**DLC MANAGEMENT**
**401(k) Plan**
**Supplemental Schedule**
**For the Year Ended December 31, 2020**

| (a) | (b) ASSET | (c ) Description of Investment | (d ) Current Value |
|---|---|---|---|
| | BROKERAGELINK | | |
| | UNIT | | $ 402,915 |
| | COMMON STOCK | | 108,917 |
| | CASH | | 46,183 |
| | COL ACORN I | Mutual Fund | 63,170 |
| | LOOMIS SM CAP VAL R | Mutual Fund | 31,106 |
| | NORTHERN SM CAP VAL | Mutual Fund | 6,746 |
| | WA INFL IDX PL BD I | Mutual Fund | 1,398 |
| | 3RD AV VALUE IS | Mutual Fund | 71,789 |
| | FID GNMA | Mutual Fund | 1,560 |
| | FID SEL SOFTWARE | Mutual Fund | 137,417 |
| | FID CAPITAL & INCOME | Mutual Fund | 15,848 |
| | FID VALUE | Mutual Fund | 56,540 |
| | FID SEL ENERGY | Mutual Fund | 22,551 |
| | FID SEL HEALTHCARE | Mutual Fund | 184,394 |
| | FID EUROPE | Mutual Fund | 2,381 |
| | FID REAL ESTATE INVS | Mutual Fund | 50,324 |
| | FID BALANCED | Mutual Fund | 57,856 |
| | FID INTL DISCOVERY | Mutual Fund | 4,020 |
| | FID CAPITAL APPREC | Mutual Fund | 289,132 |
| | FID DISCIPLND EQTY | Mutual Fund | 80,036 |
| | FID WORLDWIDE | Mutual Fund | 65,691 |
| | FID EMERGING MKTS | Mutual Fund | 89,414 |
| | FID STK SEL SM CAP | Mutual Fund | 111,521 |
| | FID LATIN AMERICA | Mutual Fund | 46,599 |
| | FID JAPAN | Mutual Fund | 23,126 |
| | FID EMERGING ASIA | Mutual Fund | 151,665 |
| | FID FREEDOM INCOME | Mutual Fund | 99 |
| | FID FREEDOM 2020 | Mutual Fund | 330,356 |
| | FID FREEDOM 2030 | Mutual Fund | 504,233 |
| | FID GOVT MMKT | Mutual Fund | 536,615 |
| | FID SEL MATERIALS | Mutual Fund | 30,522 |
| | FID STKSEL LGCAP VAL | Mutual Fund | 65,510 |
| | FID FREEDOM 2040 | Mutual Fund | 287,485 |
| | FID TOTAL BOND | Mutual Fund | 82,609 |
| | FID FREEDOM 2015 | Mutual Fund | 17,428 |
| | FID FREEDOM 2025 | Mutual Fund | 310,600 |
| | FID FREEDOM 2035 | Mutual Fund | 509,281 |
| | FID INTL SM CAP OPP | Mutual Fund | 6,370 |
| | FID FREEDOM 2045 | Mutual Fund | 980,339 |
| | FID FREEDOM 2050 | Mutual Fund | 736,223 |
| | FID 500 INDEX | Mutual Fund | 585,609 |
| | FID FREEDOM 2055 | Mutual Fund | 394,100 |
| | FID INTL INDEX | Mutual Fund | 72,574 |
| | FID FREEDOM 2060 | Mutual Fund | 239,591 |
| | FID FREEDOM 2065 | Mutual Fund | 5,219 |
| | | | $ 7,817,059 |
| | NET ASSETS AVAILABLE FOR BENEFITS | | |
| | | 8.5% Per Anum | $ 142,467 |
| | | Principle amounts due at various times from January 2020 through June 2029 | |
| | | | $ 7,959,526 |

**SEE INDEPENDENT AUDITOR'S REPORT.**

**DLC MANAGEMENT**
**401(k) Plan**
**Supplemental Schedule**
**For the Year Ended December 31, 2020**

| SELF DIRECTED BROKERAGELINK | 2020 |
|---|---|
| **CASH** | |
| FIDELITY CASH RESERVES | $ 46,183 |
| **COMMON STOCK** | |
| BIODELIVERY SCIENCES INTL INC | 10,500 |
| APPLE COMPUTER INC NFS LLC IS A MARKET | 21,230 |
| LEXICON PHARMACEUTICALS INC | 3,420 |
| OMEROS CORP WASHINGTON | 42,855 |
| TENCENT HLDGS LIMITED UNSP ADR | 3,637 |
| THERAPEUTICSMD INC COM | 7,865 |
| ARDELYX INC COM USD 0.0001 | 19,410 |
| **TOTAL COMMON STOCK** | 108,917 |
| **UNIT** | |
| ISHARES TR GOLDMAN SACHS CORP BD FD | |
| ISHARES TRUST S&P SMALLCAP 600 INDEX | 68,071 |
| FIDELITY MSCI UTILS INDEX ETF | 43,241 |
| ISHARES TRUST CORE MSCI EAFE ETF | 70,436 |
| ISHARES INC CORE MSCI EMERGING MKTS | 93,635 |
| ISHARES TR S&P MIDCAP 400 INDEX FD | 62,532 |
| ISHARES TR S&P 500 INDEX FD | 65,000 |
| **TOTAL UNIT SHARES** | 402,915 |
| Total Self Directed Brokerage Account | $ 558,015 |

**SEE INDEPENDENT AUDITOR'S REPORT**

# DLC MANAGEMENT 401(K) PLAN

## FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2020 AND 2019

**Seckendorf, Hasson, Reilly & Kobay CPA's, LLC**
**Certified Public Accountants**

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# SECKENDORF HASSON REILLY & KOBAY CPA'S, LLC

**CERTIFIED PUBLIC ACCOUNTANTS**

Bruce S. Seckendorf, CPA
David M. Hasson, CPA, PFS
Robert P. Reilly, CPA
Justin D. Kobay, CPA

3000 Marcus Avenue, Suite 1 W 5
Lake Success, New York 11042
(516) 488-8400 Fax: (516) 488-8487

## INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
DLC Management
401(k) Plan

We were engaged to audit the accompanying financial statements of DLC Management 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2020 and 2019, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

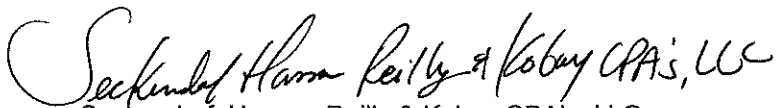
Because of the significance of the matter described in the Basis for Disclaimer of Opinion Paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental schedules (Schedule of Assets held for Investment Purposes) as of or for the year ended December 31, 2020 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 the supplemental schedules referred to above.

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

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



Seckendorf, Hasson Reilly & Kobay CPA's, LLC
Certified Public Accountants

September 22, 2021
Lake Success, New York

**DLC MANAGEMENT**
**401(k) Plan**
**Statements of Net Assets Available for Benefits**
**As of December 31, 2020 and 2019**

| | 2020 | 2019 |
|---|---|---|
| **ASSETS** | | |
| Investments at Fair Market Value | $ 7,234,261 | $ 6,420,898 |
| Notes Receivable from Participants | $ 142,467 | $ 129,198 |
| Cash and Cash Equivalents | 582,798 | 442,080 |
| Total Assets: | 7,959,526 | 6,992,176 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 7,959,526 | $ 6,992,176 |

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

**DLC MANAGEMENT**
**401 (k) Plan**
**Satement of Changes in Net Assets Available for Benefits**
**For the Year ended December 31, 2020**

| | |
|---|---|
| Additions to net assets attributed to: | |
| Investment Income : | |
| Net appreciation in fair value of investments | $ 1,023,541 |
| Dividends and interest income | 1,544 |
| Total investment income | 1,025,085 |
| Interest income on participant notes | 10,047 |
| Contributions: | |
| Participants | 736,041 |
| Employer | 153,210 |
| Rollovers | 164,613 |
| Total Contributions | 1,053,864 |
| Total additions | 2,088,996 |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | 1,120,521 |
| Administrative Expenses | 1,125 |
| Total deductions | 1,121,646 |
| NET INCREASE IN NET ASSETS | 967,350 |
| Net assets available for plan benefits | |
| Beginning of Year | $ 6,992,176 |
| End of Year | $ 7,959,526 |

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

## NOTE 1: DESCRIPTION OF PLAN

### General

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

The Plan is a defined contribution plan that was established on January 1, 2001 by DLC Management (the Company) covering all employees of the Company. All employees, except those who may be covered under a collective bargaining agreement, are eligible to make elective deferral contributions, and are eligible for employer matching contributions. Employees hired are automatically enrolled in the plan as of the first day of each month. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The plan was amended and restated effective January 1, 2019 to comply with recent updates in regulatory requirements.

### Administration

The company has contracted with Fidelity Management Trust Company to act as trustee, custodian and to process and maintain the records of participant data.

### Eligibility

All employees that are not a resident of Puerto Rico, not covered by a collective bargaining agreement, and are not a nonresident alien with no income from a U.S. source, as defined in the Plan agreement, are eligible to participate in the plan and can enter into the plan on the first day of each plan year month.

### Participant Contributions

Each year participants may contribute a portion of their annual compensation, as defined in the Plan limited to the maximum ($19,500 under 50 and $26,000 over 50 for 2020) permitted by the Internal Revenue Code. Participants may designate all or a portion of their contributions as a Roth elective deferral. Participants may also contribute amounts representing distributions from other qualified plans, if certain requirements are met. All participants who have attained the age of 50 may make catch up contributions to the plan. The plan does not allow rollovers of designated Roth contributions.

Tax laws limit the amount of compensation that may be taken into account each plan year, the maximum amount for the 2020 plan year is $285,000. Federal law requires that amounts contributed by the participant or the employer for a given limitation may not exceed the lower of $57,000 or 100% of your annual compensation.

A participant may change or revoke his salary reduction agreement as of each entry date. All amounts contributed to the Plan are directly invested in the participant accounts according to their investment elections. Participants may direct their investments and employer matching contribution by choosing from various investment options offered by the trustees.

### Employer Contributions

The employer may make a basic matching employer contribution on behalf of each eligible participant in an amount equal to the percentage declared for the contribution period limited to 75% of their compensation, if any, by a board of directors' resolution of the deferral contributions made by each participant during the contribution period.

**NOTE 1: DESCRIPTION OF PLAN (Continued)**

Participants eligible for catch up contributions are permitted to contribute in excess of the specified deferral limit up to 100% of the participant's affectively available compensation.

Discretionary employer qualified non elective contributions may be made for each plan year in an amount determined by the employer for all eligible participants. The voluntary employee contribution with employer match is equal to 50% of employee's contribution up to 4% of base salary. The participation begins immediately upon participants start date. The employer match begins to phase in after twelve months of service with vesting period over a 5 year period.

Participant Accounts

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

Vesting

Participants are immediately 100% vested in their Rollover Contributions, Qualified Matching Contributions, Qualified Non-elective Contributions, Deferral Contributions and any earnings thereon. The Employer Matching Contributions and Employer Non-elective Contributions and any earnings thereon, is 0% vested until one year of service, increasing each year incrementally by 20% and is 100% vested after five years of credited service.

Investments

Upon enrollment in the Plan, Participants may direct the investment of all of their accounts. It is intended that the plan meets the requirements of ERISA section 404(c) by providing the participants with sufficient information for them to make informed investment choices. Participants may change their investment options at any time. The value of each of the accounts is established as of the valuation date under the plan and the valuation date is daily. With respect to those Participant Accounts for which Investment Fiduciary investment direction is elected, the Investment Fiduciary shall direct the Trustee with respect to the investment and reinvestment of assets in the Permissible Investments. With respect to those Participant Accounts for which Participant investment direction is elected, each Participant shall direct the investment of his Account among the Permissible Investments.

Withdrawals

Participants who attain the age of 59 ½ may withdraw all or a portion of their vested account balance while still employed. Participants, after attaining the age of 70 ½ may receive distributions calculated in the same manner as minimum required distribution. Any balance resulting from rollover contributions may be withdrawn as well. Financial hardship withdrawals are limited to the amount of the participant's elective deferral contributions (but none of the income earned on such contributions). Hardship withdrawals are limited and are subject to federal rules. Prior to the amendment affective January 1, 2019 participants were not permitted to take hardship withdrawals of amounts credited to his qualified matching employer contributions account, now they are permitted to do so. Please refer to the plan document for more details on the amendment of hardship withdrawals.

**NOTE 1: DESCRIPTION OF PLAN (Continued)**

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of the participants vested account balance reduced by their highest outstanding loan balance in their account during the prior 12 month period, whichever is less. The loans are secured by up to 50% of the participants account balance and bear interest at a rate reasonable at the time of application, considering the purpose of the loan and the rate being charged by representative commercial banks in the local area for a similar loan. The loan agreement shall provide for the payment of principal and interest not less frequently than quarterly. All loans must be repaid within five years except for purchase of principle residence which may not exceed a ten year period. Participants may have only one loan outstanding at any given time. For loans qualifying under the Disaster Relief Act, TCJA, and the BBA, the dollar limit in may be increased to $100,000 and the portion of the participants vested account balance that may be used is 100%.

The loan may be paid over a 6 year period, not requiring payments for the first 12 months of the loan. The specific terms and conditions of such notes receivable are established by the plan administrator.

Payment of Benefits

Distributions from the plan may only be made after specific events have occurred. Participants are eligible for a distribution upon termination of employment, death, disability, or retirement, and are paid in accordance with the Plan provisions. Participants may be eligible to receive distributions in the case of financial hardships predicated on certain conditions. A participant who withdraws funds due to hardship is not permitted to make any elective deferrals for at least six months after their receipt of the hardship distribution.

Participants are allowed to receive in-service distributions upon attaining age 59 ½. The Plan allows a distribution of their vested account balance if it does not exceed $5,000, regardless of whether the participant consents to receive it upon termination before normal retirement age. If the participants terminate employment with the employer after normal retirement age, the plan will distribute their account without their consent.

On September 23, 2019, the IRS published final regulations amending the rules governing hardship distributions from 401(k) and 403(b) plans pursuant to changes contained in the Bipartisan Budget Act of 2018 (Act). The IRS' final regulations make the following key changes: (1) requiring plans to eliminate the six-month suspension of contributions following a hardship distribution made on or after January 1, 2020; (2) permitting plans to eliminate the requirement that participants obtain all available plan loans prior to receiving a hardship distribution; (3) expanding the types of contribution sources available for hardship distributions; (4) adding a new type of safe harbor hardship expense for losses relating to a federally-declared disaster; and (5) updating the administrative process required to document that the distribution is necessary to meet the financial need

Forfeitures

Forfeitures are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future Employer matching contributions the employer makes to the Plan. As of December 31, 2020, and 2019, forfeitures of $15,048 and $22,212 respectively were available to reduce the Plan's administrative expenses and future employer contributions.

## NOTE 1: DESCRIPTION OF PLAN (Continued)

Administrative Expenses

The cost of administering the Plan other than individual account service charges are paid by the Company. Loan set up fees and other sundry fees are charged directly to the participants" account and are included in administrative expenses. The current year fee totaled to $1,125.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates

Investment Valuation and Income Recognition as Determined by Fidelity Management Trust Company

Investments of the plan are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 9 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year. The plan presents in its statements of changes in net assets available for benefits the net appreciation in the fair value of its investments which consists of only realized gains.

Payment of Benefits

Benefits are recorded when paid.

## NOTE 3: RISKS AND UNCERTAINTIES

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

As a result of COVID-19, there has been heightened market risk and volatility associated with the pandemic, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits, as mentioned above. Because of the uncertainty of the markets during this time, Plan management is unable to estimate the total impact the pandemic will have.

## NOTE 4: UNAUDITED FINANCIAL INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY

Supplemental schedules are attached following the notes representing investments at December 31, 2020 of the Plan at fair value which was furnished to the Plan administrator by Fidelity Management Trust Company.

## NOTE 5: TAX STATUS

The Internal Revenue Service has determined in a letter dated March 31, 2014 that the plan document was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). Although the Plan document has been amended since receiving the opinion letter, the Plan Administrator believes that the Plan and related trust are designed, and are currently being operated, in compliance with applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the various taxing authorities and government agencies. The Plan Administrator has analyzed the tax position taken by the Plan, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, the Plan was not audited since inception and there are currently no audits for any tax periods in progress.

## NOTE 6: NON-DISCRIMINATION

The Internal Revenue Code requires that a Qualification Test be performed to assure that employee deferrals do not discriminate in favor of highly compensated employees.

## NOTE 7: RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds or money market funds managed by Fidelity Investments Institutional Operations Company, Inc. which is a related entity to Fidelity Management Trust Company, the Trustee, and therefore, these mutual fund and money market fund transactions qualify as party-in-interest transactions. Notes receivable from participant are also party-in-interest transaction.

## NOTE 8: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to amend or terminate the Plan at any time, subject to the provisions of ERISA. In the event that the Plan is terminated in the future, participants would become fully vested in their accounts.

## NOTE 9: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

**NOTE 9: FAIR VALUE MEASUREMENTS (Continued)**

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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 assets or liabilities; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

**Mutual funds:**

Valued at the net asset value (NAV) of shares held by the Plan at year end based upon quoted market prices determined in an active market.

**Common stocks:**

Valued at the closing price reported on the active market on which the individual securities are traded.

**Common collective trusts:**

Valued at net asset value (NAV) as provided by the administrator of the trust.

**Money market funds:**

Valued at the closing price of shares held by the Plan at year end

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020.

**NOTE 9: FAIR VALUE MEASUREMENTS (Continued)**

| | Assets at Fair Value as of December 31, 20 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $7,125,344 | $ | $ | $7,125,344 |
| Common stocks & bonds | 108,917 | - | - | 108,917 |
| Net Investments at Fair Market Value | 7,234,261 | - | - | 7,234,261 |
| Cash and Cash Equivalents | 582,798 | - | - | 582,798 |
| Total Assets at Fair Value | $7,817,059 | $0 | $0 | $7,817,059 |

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

| | Assets at Fair Value as of December 31, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $6,391,320 | $ | $ | $6,391,320 |
| Common stocks & bonds | 29,578 | - | - | 29,578 |
| Net Investments at Fair Market Value | 6,420,898 | - | - | 6,420,898 |
| Cash and Cash Equivalents | 442,080 | - | - | 442,080 |
| Total Assets at Fair Value | $6,862,978 | $0 | $0 | $6,862,978 |

**NOTE 10: SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events through September 22, 2021 the date the financial statements were available to be issued.

On August 27, 2021, the plan was amended for participant eligibility requirements. A participant shall only be entitled to receive nonelective employer contributions for a plan year if the participant is an active participant during the Plan Year and either earns at least 501 hours of service during the plan year or is employed by the employer or a related employer on the last day of the plan year.

**NOTE 11: RECENTLY ADOPTED ACCOUNTING STANDARDS**

On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (the "CARES Act") was Enacted. The CARES Act contains provisions that will temporarily impact the Plan including allowing certain eligible Plan participants to receive coronavirus related distributions, delaying participant loan repayments, and increasing the maximum amount of such participant loans, and suspending required minimum distributions.

**NOTE 11 RECENTLY ADOPTED ACCOUNTING STANDARDS (Continued)**

In a collective trust fund from the illustrative example in paragraph 962-325-55-17 to avoid the interpretation that such an investment would never have a readily determinable fair value and, therefore, would always use the net asset value per share practical expedient. Rather, a plan should evaluate whether a readily determinable fair value exists to determine whether those investments may qualify for the practical expedient to measure at net asset value in accordance with topic 820.

The guidance is effective for fiscal years beginning after December 15, 2018. The guidance is to be applied prospectively as it affects the fair value disclosure only. The plan is currently evaluating the impact of adopting ASU 2018-09 on the Plans financial statements

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement: Disclosure framework – changes to the disclosure requirements for fair value measurements. ASU 2018-13 modifies certain disclosure requirements on fair value measurements in Topic 820. The guidance is effective for fiscal years beginning after December 15, 2019. The guidance is to be applied prospectively, depending provisions. The plan is currently evaluating the impact of adopting ASU 2018-13 on the plans financial statements.

Effective December 30, 2021, and thereafter the AICPA has published new statements of auditing standards, they are as follows.

SAS No. 134 changes the form and content for all auditor's reports under Generally Accepted Auditing Standards (GAAS). The changes are intended to enhance the communicative value and relevance of the auditor's report. It establishes a new auditing standard, AU-C Section 701, Communicating Key Audit Matters in the Independent Auditor's Report (Section 701).

Section 701 addresses the auditor's responsibility to communicate key audit matters (KAMs) in the auditor's report if and when the auditor is engaged. The purpose of communicating KAMs is to provide greater transparency about the audit to the financial statement's external users. The new standard addresses both the auditor's judgment about what to communicate as well as the form and content of such communication.

The new standard does not require the communication of KAMs in the auditor's report. Those charged with governance decide for their organization whether or not the auditor reports on KAMs in the auditor's report. KAMs are communicated with those charged with governance that, in the auditor's professional judgment, were of most significance in the audit. KAMs may include, among other things:

Higher assessed risk of material misstatement areas or significant risks;

Areas that required considerable auditor judgment, such as accounting estimates; or

Significant events or transactions in the current period.

In addition, SAS No. 134 expanded the descriptions of management's responsibilities relating to going concern evaluations and of the auditor regarding professional judgment and professional skepticism, going concern, and communications with those charged with governance.

SAS No. 135 amends AU-C 260, Communication with Those Charged with Governance, and AU-C 550, Related Parties, as well as various other sections. These amendments are intended to enhance audit quality by heightening the auditor's focus on related parties and transactions with related parties and significant unusual transactions. Also, the new standard creates new communication requirements for:

## NOTE 11 RECENTLY ADOPTED ACCOUNTING STANDARDS (Continued)

SAS No. 136 requires enhanced audit quality and a revised auditor's report on ERISA plan financial statements to provide better insight into the responsibilities of both management and the auditor. AU-C section 703 was newly created, and AU-C 700 no longer applies for ERISA plans. An ERISA limited scope audit is now referred to as an ERISA section 103(a)(3)(C) audit, and the election to exclude certain investments is no longer considered a scope limitation. There are changes to audit procedures for ERISA section 103(a)(3)(C) audit, including

Precondition that the auditor inquire as to how management determined the entity preparing and certifying the investment information is a qualified institution

Emphasis that the auditor is required to determine the information that is certified and not certified to conclude which is required to be audited

Also, there is a new form of opinion and changes to the auditor report for ERISA section 103(a)(3)(C) audit, including

A two-part opinion addressing information not covered by the certification and procedures required by the SAS that were performed on the certified information

SAS No. 137 clarifies that the auditor is required to apply procedures only to other information included in annual reports (or similar documents). It revises procedures to require the accountant to remain alert for misleading data, including if it omits or obscures information necessary for a proper understanding of a matter disclosed in the other report. It requires a separate section to be included in the auditor's report addressing additional information.

SAS No. 138 eliminates inconsistencies between the AICPA Professional Standards and the definition of materiality used by the U.S. judicial system and other U.S. standard setters and regulators.

SAS No. 139 includes technical corrections to align with new auditor reporting language for statements prepared following special purpose frameworks, single financial statements and specific elements, accounts or items of a financial statement, and summary financial statements. The new standard also includes updates to going concern considerations irrespective of whether the going concern basis of accounting is relevant to preparing the special purpose financial statements. The requirements of Section 570 apply regarding the auditor's responsibilities to perform the following:

Based on the audit evidence obtained, conclude whether, in the auditor's judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the entity's ability to continue as a going concern.

When such reasonable doubt exists, evaluate the adequacy of the financial statement disclosures.

SAS No. 140 amends the auditing standards to incorporate changes from SAS No. 134 and 137 to include

Supplementary Information (SI) and Required Supplementary Information (RSI) to be presented in a separate section of the audit report, not in the Emphasis of Matter (EOM) or Other Matter (OM) paragraphs. It must indicate that RSI is the responsibility of management.

The initial effective dates of these seven SASs were for audits of private company financial statements for periods ending on or after December 15, 2020. The AICPA's Auditing Standards Board decided to defer the effective dates due to the COVID-19 pandemic for one year, making these seven SASs effective for audits of calendar year-end 2021 financial statements. The deferral means these seven SASs are effective for periods ending on or after December 15, 2021.

**DLC MANAGEMENT**
**401(k) Plan**
**Supplemental Schedule**
**For the Year Ended December 31, 2020**

| (a) | (b) ASSET | (c ) Description of Investment | (d ) Current Value |
|---|---|---|---|
| | BROKERAGELINK | | |
| | UNIT | | $ 402,915 |
| | COMMON STOCK | | 108,917 |
| | CASH | | 46,183 |
| | COL ACORN I | Mutual Fund | 63,170 |
| | LOOMIS SM CAP VAL R | Mutual Fund | 31,106 |
| | NORTHERN SM CAP VAL | Mutual Fund | 6,746 |
| | WA INFL IDX PL BD I | Mutual Fund | 1,398 |
| | 3RD AV VALUE IS | Mutual Fund | 71,789 |
| | FID GNMA | Mutual Fund | 1,560 |
| | FID SEL SOFTWARE | Mutual Fund | 137,417 |
| | FID CAPITAL & INCOME | Mutual Fund | 15,848 |
| | FID VALUE | Mutual Fund | 56,540 |
| | FID SEL ENERGY | Mutual Fund | 22,551 |
| | FID SEL HEALTHCARE | Mutual Fund | 184,394 |
| | FID EUROPE | Mutual Fund | 2,381 |
| | FID REAL ESTATE INVS | Mutual Fund | 50,324 |
| | FID BALANCED | Mutual Fund | 57,856 |
| | FID INTL DISCOVERY | Mutual Fund | 4,020 |
| | FID CAPITAL APPREC | Mutual Fund | 289,132 |
| | FID DISCIPLND EQTY | Mutual Fund | 80,036 |
| | FID WORLDWIDE | Mutual Fund | 65,691 |
| | FID EMERGING MKTS | Mutual Fund | 89,414 |
| | FID STK SEL SM CAP | Mutual Fund | 111,521 |
| | FID LATIN AMERICA | Mutual Fund | 46,599 |
| | FID JAPAN | Mutual Fund | 23,126 |
| | FID EMERGING ASIA | Mutual Fund | 151,665 |
| | FID FREEDOM INCOME | Mutual Fund | 99 |
| | FID FREEDOM 2020 | Mutual Fund | 330,356 |
| | FID FREEDOM 2030 | Mutual Fund | 504,233 |
| | FID GOVT MMKT | Mutual Fund | 536,615 |
| | FID SEL MATERIALS | Mutual Fund | 30,522 |
| | FID STKSEL LGCAP VAL | Mutual Fund | 65,510 |
| | FID FREEDOM 2040 | Mutual Fund | 287,485 |
| | FID TOTAL BOND | Mutual Fund | 82,609 |
| | FID FREEDOM 2015 | Mutual Fund | 17,428 |
| | FID FREEDOM 2025 | Mutual Fund | 310,600 |
| | FID FREEDOM 2035 | Mutual Fund | 509,281 |
| | FID INTL SM CAP OPP | Mutual Fund | 6,370 |
| | FID FREEDOM 2045 | Mutual Fund | 980,339 |
| | FID FREEDOM 2050 | Mutual Fund | 736,223 |
| | FID 500 INDEX | Mutual Fund | 585,609 |
| | FID FREEDOM 2055 | Mutual Fund | 394,100 |
| | FID INTL INDEX | Mutual Fund | 72,574 |
| | FID FREEDOM 2060 | Mutual Fund | 239,591 |
| | FID FREEDOM 2065 | Mutual Fund | 5,219 |
| | | | $ 7,817,059 |
| | NET ASSETS AVAILABLE FOR BENEFITS | | |
| | | 8.5% Per Anum | $ 142,467 |
| | | Principle amounts due at various times from January 2020 through June 2029 | |
| | | | $ 7,959,526 |

**SEE INDEPENDENT AUDITOR'S REPORT.**

**DLC MANAGEMENT**
**401(k) Plan**
**Supplemental Schedule**
**For the Year Ended December 31, 2020**

| SELF DIRECTED BROKERAGELINK | 2020 |
|---|---|
| **CASH** | |
| FIDELITY CASH RESERVES | $ 46,183 |
| **COMMON STOCK** | |
| BIODELIVERY SCIENCES INTL INC | 10,500 |
| APPLE COMPUTER INC NFS LLC IS A MARKET | 21,230 |
| LEXICON PHARMACEUTICALS INC | 3,420 |
| OMEROS CORP WASHINGTON | 42,855 |
| TENCENT HLDGS LIMITED UNSP ADR | 3,637 |
| THERAPEUTICSMD INC COM | 7,865 |
| ARDELYX INC COM USD 0.0001 | 19,410 |
| **TOTAL COMMON STOCK** | 108,917 |
| **UNIT** | |
| ISHARES TR GOLDMAN SACHS CORP BD FD | |
| ISHARES TRUST S&P SMALLCAP 600 INDEX | 68,071 |
| FIDELITY MSCI UTILS INDEX ETF | 43,241 |
| ISHARES TRUST CORE MSCI EAFE ETF | 70,436 |
| ISHARES INC CORE MSCI EMERGING MKTS | 93,635 |
| ISHARES TR S&P MIDCAP 400 INDEX FD | 62,532 |
| ISHARES TR S&P 500 INDEX FD | 65,000 |
| **TOTAL UNIT SHARES** | 402,915 |
| Total Self Directed Brokerage Account | $ 558,015 |

**SEE INDEPENDENT AUDITOR'S REPORT**