

**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

**2022**

**This Form is Open to Public Inspection**

**Part I Annual Report Identification Information**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 11/30/2022

- A** This return/report is for:
  - a multiemployer plan
  - a single-employer plan
  - a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
  - a DFE (specify) \_\_\_\_\_
- B** This return/report is:
  - the first return/report
  - an amended return/report
  - the final return/report
  - a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here. . . . . ▶
- D** Check box if filing under:
  - Form 5558
  - automatic extension
  - the DFVC program
  - special extension (enter description)
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶

**Part II Basic Plan Information**—enter all requested information

<b>1a</b> Name of plan <u>NCB MANAGEMENT SERVICES, INC. ESOP</u>	<b>1b</b> Three-digit plan number (PN) ▶ <u>002</u>
<b>2a</b> Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NCB MANAGEMENT SERVICES, INC.</u>  <u>ONE ALLIED DRIVE</u> <u>TREVOSE, PA 19053-6945</u>	<b>1c</b> Effective date of plan <u>01/01/2014</u>  <b>2b</b> Employer Identification Number (EIN) <u>23-2777046</u>  <b>2c</b> Plan Sponsor's telephone number <u>215-244-4200</u>  <b>2d</b> Business code (see instructions) <u>561440</u>

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

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

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	06/09/2023	JAMES LASALA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	06/09/2023	JAMES LASALA
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

**Form 5500 (2022)**  
v. 220413

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN  <b>3c</b> Administrator's telephone number
<b>4</b> 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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN  <b>4d</b> PN
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 439
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).  <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year .....  <b>b</b> Retired or separated participants receiving benefits ..... <b>c</b> Other retired or separated participants entitled to future benefits..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....  <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b> 315 <b>6a(2)</b> 0 <b>6b</b> 0 <b>6c</b> 0 <b>6d</b> 0 <b>6e</b> 0 <b>6f</b> 0 <b>6g</b> 0 <b>6h</b> 0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2O 3I  <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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

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**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.

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

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**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 \_\_\_\_\_

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<b>SCHEDULE C</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 11/30/2022

<b>A</b> Name of plan <u>NCB MANAGEMENT SERVICES, INC. ESOP</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>NCB MANAGEMENT SERVICES, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>23-2777046</u>	

**Part I Service Provider Information (see instructions)**

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

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

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

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

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

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

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

<b>Part III</b>	<b>Termination Information on Accountants and Enrolled Actuaries (see instructions)</b> (complete as many entries as needed)
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<b>a</b> Name: GOLD GERSTEIN GROUP LLC	<b>b</b> EIN: 26-3584493
<b>c</b> Position: ACCOUNTANT	
<b>d</b> Address: 1307 WHITE HORSE ROAD, BUILDING D VORHEES, NJ 08043	<b>e</b> Telephone: 856-770-1400

Explanation: THE GOLD GERSTEIN GROUP LLC (VORHEES) WAS ACQUIRED BY CITRIN COOPERMAN ON 2/1/23. THE ESOP FINANCIAL STATEMENTS AS OF 11/30/22 AND FOR THE PERIOD FROM 1/1/22 WERE SUBJECT TO AN ERISA SECTION 103(A)(3)(C) AUDIT, PERFORMED BY CITRIN COOPERMAN & CO. LLP

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> 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

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning **01/01/2022** and ending **11/30/2022**

<b>A</b> Name of plan NCB MANAGEMENT SERVICES, INC. ESOP	<b>B</b> Three-digit plan number (PN) ► <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 NCB MANAGEMENT SERVICES, INC.	<b>D</b> Employer Identification Number (EIN) 23-2777046

**Part I Asset and Liability Statement**

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

<b>Assets</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>a</b> Total noninterest-bearing cash.....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions.....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions.....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>	50	
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....	<b>1c(1)</b>	5895470	
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred.....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred.....	<b>1c(4)(A)</b>		
<b>(B)</b> Common.....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests.....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property).....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants).....	<b>1c(7)</b>		
<b>(8)</b> Participant loans.....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts.....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities.....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>		
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other.....	<b>1c(15)</b>		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	5895520	0
<b>Liabilities</b>			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	5895520	0

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)		
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		0
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	19379	
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts .....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	2b(10)		
<b>c</b> Other income .....	2c		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	2d		19379
<b>Expenses</b>			
<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)	5914899	
(2) To insurance carriers for the provision of benefits .....	2e(2)		
(3) Other .....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		5914899
<b>f</b> Corrective distributions (see instructions).....	2f		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	2g		
<b>h</b> Interest expense.....	2h		
<b>i</b> Administrative expenses: (1) Professional fees .....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees .....	2i(3)		
(4) Other .....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	2j		5914899
<b>Net Income and Reconciliation</b>			
<b>k</b> Net income (loss). Subtract line 2j from line 2d.....	2k		-5895520
<b>l</b> Transfers of assets:			
(1) To this plan .....	2l(1)		
(2) From this plan.....	2l(2)		

**Part III Accountant's Opinion**

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

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

- (1)  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)  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: CITRIN COOPERMAN & COMPANY, LLP

(2) EIN: 22-2428965

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

	Yes	No	Amount
4a		X	

		Yes	No	Amount
<b>b</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.).....	<b>4b</b>		X	
<b>c</b> 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.) .....	<b>4c</b>		X	
<b>d</b> 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.).....	<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	<b>4e</b>	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>4f</b>		X	
<b>g</b> 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? .....	<b>4g</b>		X	
<b>h</b> 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?.....	<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	<b>4i</b>		X	
<b>j</b> 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.).....	<b>4j</b>	X		
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....	<b>4k</b>	X		
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>4m</b>		X	
<b>n</b> 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. ....	<b>4n</b>			

**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 0.

**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 \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 11/30/2022

<b>A</b> Name of plan <u>NCB MANAGEMENT SERVICES, INC. ESOP</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>NCB MANAGEMENT SERVICES, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>23-2777046</u>	

<b>Part I</b>	<b>Distributions</b>
---------------	----------------------

**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	0
---	---

**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): 42-0127290

**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	
---	--

<b>Part II</b>	<b>Funding Information</b> (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.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	<b>6a</b>	
<b>6 b</b> Enter the amount contributed by the employer to the plan for this plan year.....	<b>6b</b>	
<b>6 c</b> 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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
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**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

<b>Part IV</b>	<b>ESOPs</b> (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 (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year.....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year.....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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.....	<b>16b</b>	

**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 \_\_\_\_\_

**NCB Management Services, Inc.  
Employee Stock Ownership Plan**

**Financial Statements  
Supplemental Information and  
Independent Auditor's Report**

**Period January 1, 2022 to  
November 30, 2022 (Plan termination)  
and December 31, 2021**

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Contents of Report

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## INDEPENDENT AUDITOR'S REPORT

The ESOP Committee  
NCB Management Services, Inc. Employee Stock Ownership Plan  
Trevose, Pennsylvania

### Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of NCB Management Services, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets in liquidation as of November 30, 2022 (date of plan termination), and the related statement of changes in net assets in liquidation for the period January 1, 2022 to November 30, 2022 (date of plan termination) and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of NCB Management Services, Inc. Employee Stock Ownership Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period ended November 30, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NCB Management Services, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### **Emphasis of Matter—Basis of Accounting**

As discussed in Note 1 to the financial statements, the governing body of NCB Management Services, Inc. Employee Stock Ownership Plan approved a plan of liquidation on August 31, 2021, and, as of November 30, 2022, all assets of the Plan have been liquidated and the Plan has been terminated. The accompanying financial statements are therefore presented on the liquidation basis of accounting. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management’s election of the ERISA Section 103(a)(3)(C) audit does not affect management’s responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NCB Management Services, Inc. Employee Stock Ownership Plan’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan’s transactions that are presented and disclosed in the financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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## Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NCB Management Services, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NCB Management Services, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplemental Schedule Required by ERISA**

The supplemental Schedule of Reportable Transactions for the period ended November 30, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Auditor's Report on the 2021 Financial Statements**

Predecessor auditors performed an audit of the 2021 financial statements of NCB Management Services, Inc. Employee Stock Ownership Plan. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the plan that were certified by a qualified institution. Their report dated October 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the

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2021 supplemental schedules, other than the information in the 2021 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).

*Citrin Cooperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Voorhees, New Jersey  
May 31, 2023

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# NCB Management Services, Inc. Employee Stock Ownership Plan

## Statements of Net Assets in Liquidation

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	November 30, 2022 (Liquidation Basis)	December 31, 2021 (Liquidation Basis)
<b>Assets</b>		
Investments at fair value:		
Fidelity Investments MM Funds		
Treasury I	\$ -	\$ 5,895,470
Receivables:		
Interest income	<u>-</u>	<u>50</u>
 Total assets	<u>-</u>	<u>5,895,520</u>
<b>Liabilities</b>		
	<u>-</u>	<u>-</u>
 Net assets available for benefits	<u>\$ -</u>	<u>\$ 5,895,520</u>

*See notes to financial statements.*

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Statement of Changes in Net Assets in Liquidation

For the period from January 1, 2022 through November 30, 2022 (Liquidation Basis)

Additions:	
Investment income:	
Interest	\$ 19,380
	<u>19,380</u>
Total additions	<u>19,380</u>
Deductions:	
Benefit payments	<u>5,914,900</u>
Total deductions	<u>5,914,900</u>
Net decrease	(5,895,520)
Net assets available for benefits:	
Beginning of year	<u>5,895,520</u>
End of year	<u>\$ -</u>

*See notes to financial statements.*

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description

The following description of the NCB Management Services, Inc. Employee Stock Ownership Plan (the "Plan") ("ESOP") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### Plan Termination

On July 22, 2021, NCB Management Services, Inc. ("NCB" or the "Company") entered into a Stock Purchase Agreement and, effective August 31, 2021, the Company signed an Agreement and Plan of Merger. Pursuant to the Stock Purchase Agreement, the board of directors of the Company adopted and approved an amendment to the ESOP providing for the termination of the ESOP and final allocations, vesting, and payment of benefits thereunder. The effective date of the amendment and Plan termination was August 31, 2021. Accordingly, no further contributions were made to the ESOP. As of November 30, 2022, all account balances were distributed from the Plan in accordance with the terms of the Plan. See Note 2 for discussion of the liquidation basis of accounting.

#### General

The Company adopted the ESOP which operated, in relevant part, as a leveraged employee stock ownership plan. The Plan was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("IRC") and was subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was administered by an ESOP Committee appointed by the Company's board of directors. An independent third-party company was hired as the Plan's trustee.

The Plan purchased 35,000 shares of the Company's 7% convertible preferred stock ("ESOP Stock") on December 30, 2014 using the proceeds of: a) a loan from the Company (the "ESOP Loan") and loans from two related parties (i.e., the former shareholders of the Company) (the "Seller Loan"), and b) Company contributions. Effective September 1, 2015, the Company assumed the direct obligation to pay the sellers and added the amount then due on the Seller Loan to the principal due under the ESOP Loan. Prior to Plan termination, the ESOP Stock was held in a trust under the Plan.

The ESOP Loan was collateralized by the unallocated shares of ESOP Stock. The Company had no rights against shares of ESOP Stock once they were allocated to participants in accordance with the terms of the ESOP.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description (*Continued*):

#### Allocations

Previously, the financial statements of the Plan presented separately the assets and liabilities pertaining to:

- a. the accounts of employees with rights in allocated ESOP Stock (allocated), and;
- b. ESOP Stock not yet allocated to employees (unallocated), including shares that were committed to be released. Shares were released from collateral and became allocated generally in the period in which debt service was actually paid.

As the Plan made debt payments on the ESOP Loan, an appropriate percentage of financed shares were allocated to eligible employees' accounts. Amounts allocated to a participant's account could not exceed Internal Revenue Service ("IRS") regulations.

During 2021, the ESOP Stock was liquidated; as such, there were no assets or liabilities pertaining to allocated or unallocated shares at December 31, 2021 or November 30, 2022.

#### Eligibility

Prior to Plan termination, substantially all employees (as defined in the Plan document) of the Company and its subsidiaries were eligible to participate in the Plan as of the entry date next following the date such employee had both a) completed a period of service of six months, and b) attained age 21. An eligible employee was automatically enrolled in the Plan on the January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> or October 1<sup>st</sup> following the date the eligibility requirements were met. With the exception of certain stipulations outlined in the Plan document, participants who did not have at least 1,000 hours of service during such Plan year or were not employed on the last working day of a Plan year were not eligible for an allocation of Company contributions and forfeitures for such year.

During 2021, newly eligible employees with an enrollment date prior to August 31, 2021 were also entitled to receive certain allocations (as discussed in *Participant Accounts* below). The service hours and end-of-year employment requirements for 2021 eligibility were waived. The terminating plan provisions did not permit any 2022 enrollments or allocations.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description and Basis of Presentation (*Continued*):

#### Employer Contributions

Prior to Plan termination, the Company was permitted to make contributions to the Plan during any Plan year. Such contributions were at least in an amount which, when combined with permissible dividends, were sufficient to pay principal and interest as required under the terms of the ESOP Loan. Employee contributions were not permitted. No employer contributions were made during the period from January 1, 2022 through November 30, 2022.

#### Payment of Benefits

Prior to Plan termination, distributions on account of death were made in a single lump sum in the Plan year following the event. Distributions for normal retirement and total disability began in the Plan year following the separation from service. Distributions for other separations from service (if the value of the account balance was in excess of \$1,000) were scheduled to commence on the later of: a) the fifth Plan year following the separation from service or, to the extent a participant's account balance held financed shares, b) the date the ESOP Loan was repaid. Distributions were scheduled to be made in substantially equal installments over a period of five years unless the participant account value exceeded a certain threshold, as stipulated by IRS, at which time the five-year payout period would be extended by one year but no more than five additional years. Distributions if the value of the account balance was less than \$1,000 occurred as a lump sum as soon as administratively feasible. The amount to be distributed was based upon the account valuation date immediately preceding the distribution. Distributions were made in the form of ESOP Stock plus cash for any fractional share of ESOP Stock.

Under the provisions of the Plan, the Company was obligated to repurchase participant shares which had been distributed under the terms of the Plan if the shares were not publicly traded or if the shares were subject to trading limitations (see Put Option).

In conjunction with the Plan termination, cash consideration was received from NCB for allocated shares (and unallocated shares that were not previously returned to NCB, as discussed in Note 6) of ESOP Stock to provide for distribution of account balances. Account balances were distributed based on participant election (i.e., lump sum distribution to the participant or direct transfer to NCB Management Services, Inc.'s 401(k) Plan, another qualified plan, or an Individual Retirement Account for the benefit of the participant).

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Payment of Benefits (Continued)

The timing of distributions was as follows: a) active participants received a distribution of approximately 80% of their account balance in December of 2021; b) terminated participants received a distribution of 100% of their account balance in December 2021; and c) subsequent to receipt of a favorable determination letter dated April 20, 2022, the remainder of active participant account balances as well as any remaining balances in terminated participant accounts were paid prior to November 30, 2022. For those participants that did not elect a distribution method, their account balance was rolled into NCB Management Services, Inc.'s 401(k) Plan.

#### Administrative Expenses

As provided in the Plan document, administrative expenses shall be paid by the Plan unless they are paid directly by the Company. No administrative expenses were paid by the Plan during the period from January 1, 2022 through November 30, 2022.

#### Voting Rights

The ESOP Committee directed the Trustee as to the vote of ESOP Stock, except on certain types of corporate matters. On these matters, each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account and was notified by the trustee prior to the time that such rights were to be exercised. Pursuant to the direction of the ESOP Committee, the trustee was authorized as to the vote on any allocated shares for which instructions have not been given by a participant as well as any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

#### Participant Accounts

The Plan was a defined contribution plan under which a separate individual account was established for each participant. Each participant's account was credited as of the last day of each Plan year with an allocation of shares of the ESOP Stock released by the trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. The release of share allocation was based first on the participant's portion of the allocated dividend used for loan payments using participant's adjusted beginning allocated shares to total adjusted beginning allocated shares. The remainder of the share allocation was based on the relation of a participant's eligible compensation to total eligible compensation. Participants who were eligible employees of the Company as of the last day of the Plan year had eligible compensation.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Participant Accounts (*Continued*)

Cash dividends paid by the Company with respect to non-financed shares of ESOP Stock allocated to participants' accounts were not permitted to be applied to the repayment of debt service. The allocation of such dividends was based on the relation of a participant's non-financed shares to total non-financed shares. Interest income was allocated to participants' accounts based on the relation of participant's cash to total cash. Plan administrative expenses were allocated based on a combination of the relation of participant's cash to total cash as well as the relation of participant's shares to total shares.

As a result of the Plan termination, no subsequent cash dividends were paid to the Plan and no ESOP Loan repayments were paid from the Plan. Accordingly, a release of share allocation did not transpire subsequent to the Plan termination date. In 2021, the value of unallocated shares (in excess of the number of shares required to be returned to NCB as full payment of the ESOP Loan) was allocated to participants based on the relation of participant's eligible compensation to total eligible compensation. Lastly, in 2021, participants received cash proceeds based on the number of their allocated shares sold at the liquidation price.

Allocations for the period from January 1, 2022 through November 30, 2022 consisted solely of interest income.

#### Vesting

Participants vested 20% per year of service after the completion of 2 years of vesting service, and were 100 percent vested after 6 years of service. If a participant's employment with the Company ended for a reason other than retirement or death, he or she vested in the balances in his or her account based on total years of service with the Company. Effective with the Plan's termination on August 31, 2021, participants became fully vested in their accounts.

#### Put Option

Under federal income tax regulations, the employer stock that was held by the Plan (prior to Plan termination) and its participants and was not readily tradable on an established market, or was subject to trading limitations, included a put option. The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there was no market. The put price was representative of the current fair market value of the stock. The Company could pay for the purchase with interest over a period of five years, if adequate security was provided for the deferred payments.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description and Basis of Presentation (*Continued*):

#### Put Option (Continued)

The put option could be exercised within 60 days after the shares were distributed or within a second 60-day period in the next year following the determination of the fair market value of the ESOP Stock. The purpose of the put option was to ensure that the participant had the ability to ultimately obtain cash.

#### Diversification

Prior to Plan termination, diversification was offered to eligible participants close to retirement to provide an opportunity to move part of the value of their investment in ESOP Stock into more diversified investments. Participants who were at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account provided that the participant was employed with the Company at the time of such election. Diversification was not applicable during the period from January 1, 2022 through December 30, 2022.

#### Forfeitures

Plan forfeitures were first applied to restore the ESOP forfeited accounts of participants who previously terminated employment (and received a distribution) but returned before incurring their 5th consecutive break in service. Any remaining forfeited shares were then allocated to each participant's account as discussed above under *Participant Accounts*. There were no returning participants with ESOP accounts, nor were there any forfeitures allocated to participants for the period from January 1, 2022 through November 30, 2022. Forfeited non-vested accounts to be allocated to participant accounts in future years as of November 30, 2022 and December 31, 2021 were \$-0-.

### 2. Summary of Significant Accounting Policies:

#### Basis of Accounting

For the period from January 1, 2022 through November 30, 2022 and the year ended December 31, 2021, the financial statements were prepared using the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

November 30, 2022 (date of plan termination) and December 31, 2021

### 2. Summary of Significant Accounting Policies: (Continued):

#### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of Plan assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### Investment Valuation and Income Recognition

The shares of money market funds and the ESOP Stock are reported at fair value. See Note 5 for discussion of fair value measurements. Interest income is accrued when earned. Purchases and sales of securities are recorded on a trade-date basis. Realized gains from liquidation and gains and losses from security transactions are reported on the average cost method. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Payment of Benefits

Benefits are recorded when paid.

### 3. Information Prepared and Certified by the Trustee (Unaudited):

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified as complete and accurate by the trustee:

	As of and for the Period From January 1, 2022 – November 30, 2022
Investment in Fidelity Investments MM Funds	
Treasury I:	
Estimated fair value	\$ -
Interest income	19,380
	December 31, 2021
Investment in Fidelity Investments MM Funds	
Treasury I:	
Estimated fair value	\$ 5,895,470
Interest income receivable	50

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

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### 4. ESOP Shares:

In conjunction with the Plan termination in 2021, ESOP shares were returned to NCB in for subsequent cancellation and cash consideration was received from NCB for allocated shares (and unallocated shares that were not previously returned to NCB, as discussed in Note 6). Accordingly, there were no ESOP shares at November 30, 2022 or December 31, 2021.

### 5. Fair Value Measurements:

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

The three levels of the fair value hierarchy 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 asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

November 30, 2022 (date of plan termination) and December 31, 2021

### 5. Fair Value Measurements (Continued):

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

Assets at Fair Value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fidelity Investments MM Funds Treasury I	<u>\$5,895,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,895,470</u>
Total Assets at Fair Value	<u>\$5,895,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,895,470</u>

Following is a description of the valuation methodologies used for assets measured at fair value.

- Investment in Fidelity Investments MM Funds Treasury I held by the Plan is reported at fair value based on quoted market price in active markets.

### 6. ESOP Loan Payable:

As discussed in Note 1, the Plan purchased 35,000 shares of ESOP Stock primarily by using the proceeds of the ESOP Loan and the Seller Loan. Effective September 1, 2015, the Company assumed the direct obligation to pay the sellers and added the amount then due on the Seller Loan to the principal due under the ESOP Loan.

The ESOP Loan was collateralized by the unallocated ESOP Stock. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The number of shares released in any year was the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments.

The ESOP Loan constituted an "exempt loan" within the meaning of section 4975(d)(3) of the IRC of 1986, as amended, Treasury Regulation section 54.4975-7(b), section 408(d)(3) of the ERISA of 1974, as amended, and DOL Regulation section 2250.408b-3.

At the Plan termination date, as part of the liquidation process, unallocated ESOP Stock was returned to NCB on August 31, 2021 as "full payment" of the ESOP. At November 30, 2022 and December 31, 2021 the balance due on the ESOP Loan was \$-0-.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 7. Administration of Plan Assets:

The Plan's assets, money market funds and, prior to Plan termination, ESOP Stock, were held and managed by the trustee of the Plan. The trustee made distributions to participants. Prior to Plan termination, the trustee invested dividend income and administered the payment of interest and principal on the loans. Certain administrative functions were performed by the ESOP Committee which received no compensation from the Plan. Administrative expenses for the trustee's fees were paid directly by the Company.

### 8. Related Party and Party-In-Interest Transactions:

The Plan previously invested in the ESOP Stock financed by the Company, a related party (See Note 6). See also Note 1 as discussed under *Benefit Payments* for cash consideration from NCB to provide for distribution of account balances. The Company was a party-in-interest, and the transactions were considered party-in-interest transactions under ERISA. Service providers used by the Plan were also parties in interest under ERISA. During 2022, the Company paid all Plan expenses.

### 9. Risks and Uncertainties:

The Plan investments previously consisted primarily of the ESOP Stock, which was exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and other such techniques. As previously discussed, the ESOP Stock was liquidated, effective August 31, 2021, and as such, risks and uncertainties surrounding ESOP Stock valuation were no longer relevant.

### 10. Tax Status:

The IRS has determined and informed the Company by a letter dated October 5, 2016, that the Plan and related trust were designed in accordance with the applicable sections of the IRC. Although the Plan was amended since receiving the determination letter, the Plan administrator and the Plan's legal counsel believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC and, therefore, believed that the Plan was qualified, and the related trust was tax-exempt. Therefore, no provision for income taxes was made in the financial statements.

In conjunction with the Plan termination, the Plan applied for and received a termination determination letter, dated April 20, 2022.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 10. Tax Status *(Continued)*:

Accounting principles generally accepted in the United States of America required Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan was subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### 11. Subsequent Events:

Management of the Plan sponsor have evaluated subsequent events through May 31, 2023, which is the date the financial statements were available to be issued, and determined that no such events require adjustment to, or disclosure in these financial statements.

**NCB Management Services, Inc. Employee Stock Ownership Plan**

**Supplemental Information**

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**NCB Management Services, Inc. Employee Stock Ownership Plan**

**Schedule H, Line 4j  
Schedule of Reportable Transactions  
EIN 23-2777046 (002)**

Year Ended December 31, 2022

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of party involved</u>	<u>Description of asset (include interest rate and maturity date in case of a loan)</u>	<u>Purchase price</u>	<u>Selling price</u>	<u>Lease rental</u>	<u>Expense incurred with transaction</u>	<u>Cost of asset</u>	<u>Current value of asset on transaction date</u>	<u>Net gain or (loss)</u>
<b>Series of transactions in excess of 5%</b>								
Fidelity Investments	Fidelity Investments MM Funds Treasury I	\$	\$ 5,912,204	\$ -	\$ -	\$ 5,912,204	\$ 5,912,204	\$ -

*See independent auditor's report.*

**NCB Management Services, Inc.  
Employee Stock Ownership Plan**

**Financial Statements  
Supplemental Information and  
Independent Auditor's Report**

**Period January 1, 2022 to  
November 30, 2022 (Plan termination)  
and December 31, 2021**

# NCB Management Services, Inc. Employee Stock Ownership Plan

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## INDEPENDENT AUDITOR'S REPORT

The ESOP Committee  
NCB Management Services, Inc. Employee Stock Ownership Plan  
Trevose, Pennsylvania

### Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of NCB Management Services, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets in liquidation as of November 30, 2022 (date of plan termination), and the related statement of changes in net assets in liquidation for the period January 1, 2022 to November 30, 2022 (date of plan termination) and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of NCB Management Services, Inc. Employee Stock Ownership Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period ended November 30, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NCB Management Services, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### **Emphasis of Matter—Basis of Accounting**

As discussed in Note 1 to the financial statements, the governing body of NCB Management Services, Inc. Employee Stock Ownership Plan approved a plan of liquidation on August 31, 2021, and, as of November 30, 2022, all assets of the Plan have been liquidated and the Plan has been terminated. The accompanying financial statements are therefore presented on the liquidation basis of accounting. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management’s election of the ERISA Section 103(a)(3)(C) audit does not affect management’s responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NCB Management Services, Inc. Employee Stock Ownership Plan’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan’s transactions that are presented and disclosed in the financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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## Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NCB Management Services, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NCB Management Services, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplemental Schedule Required by ERISA**

The supplemental Schedule of Reportable Transactions for the period ended November 30, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Auditor's Report on the 2021 Financial Statements**

Predecessor auditors performed an audit of the 2021 financial statements of NCB Management Services, Inc. Employee Stock Ownership Plan. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the plan that were certified by a qualified institution. Their report dated October 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the

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2021 supplemental schedules, other than the information in the 2021 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).

*Citrin Cooperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Voorhees, New Jersey  
May 31, 2023

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# NCB Management Services, Inc. Employee Stock Ownership Plan

## Statements of Net Assets in Liquidation

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	November 30, 2022 (Liquidation Basis)	December 31, 2021 (Liquidation Basis)
<b>Assets</b>		
Investments at fair value:		
Fidelity Investments MM Funds		
Treasury I	\$ -	\$ 5,895,470
Receivables:		
Interest income	<u>-</u>	<u>50</u>
 Total assets	 <u>-</u>	 <u>5,895,520</u>
<b>Liabilities</b>		
	<u>-</u>	<u>-</u>
 Net assets available for benefits	 <u>\$ -</u>	 <u>\$ 5,895,520</u>

*See notes to financial statements.*

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Statement of Changes in Net Assets in Liquidation

For the period from January 1, 2022 through November 30, 2022 (Liquidation Basis)

Additions:	
Investment income:	
Interest	\$ 19,380
	<u>19,380</u>
Total additions	<u>19,380</u>
Deductions:	
Benefit payments	<u>5,914,900</u>
Total deductions	<u>5,914,900</u>
Net decrease	(5,895,520)
Net assets available for benefits:	
Beginning of year	<u>5,895,520</u>
End of year	<u>\$ -</u>

*See notes to financial statements.*

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description

The following description of the NCB Management Services, Inc. Employee Stock Ownership Plan (the "Plan") ("ESOP") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### Plan Termination

On July 22, 2021, NCB Management Services, Inc. ("NCB" or the "Company") entered into a Stock Purchase Agreement and, effective August 31, 2021, the Company signed an Agreement and Plan of Merger. Pursuant to the Stock Purchase Agreement, the board of directors of the Company adopted and approved an amendment to the ESOP providing for the termination of the ESOP and final allocations, vesting, and payment of benefits thereunder. The effective date of the amendment and Plan termination was August 31, 2021. Accordingly, no further contributions were made to the ESOP. As of November 30, 2022, all account balances were distributed from the Plan in accordance with the terms of the Plan. See Note 2 for discussion of the liquidation basis of accounting.

#### General

The Company adopted the ESOP which operated, in relevant part, as a leveraged employee stock ownership plan. The Plan was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("IRC") and was subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was administered by an ESOP Committee appointed by the Company's board of directors. An independent third-party company was hired as the Plan's trustee.

The Plan purchased 35,000 shares of the Company's 7% convertible preferred stock ("ESOP Stock") on December 30, 2014 using the proceeds of: a) a loan from the Company (the "ESOP Loan") and loans from two related parties (i.e., the former shareholders of the Company) (the "Seller Loan"), and b) Company contributions. Effective September 1, 2015, the Company assumed the direct obligation to pay the sellers and added the amount then due on the Seller Loan to the principal due under the ESOP Loan. Prior to Plan termination, the ESOP Stock was held in a trust under the Plan.

The ESOP Loan was collateralized by the unallocated shares of ESOP Stock. The Company had no rights against shares of ESOP Stock once they were allocated to participants in accordance with the terms of the ESOP.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description (*Continued*):

#### Allocations

Previously, the financial statements of the Plan presented separately the assets and liabilities pertaining to:

- a. the accounts of employees with rights in allocated ESOP Stock (allocated), and;
- b. ESOP Stock not yet allocated to employees (unallocated), including shares that were committed to be released. Shares were released from collateral and became allocated generally in the period in which debt service was actually paid.

As the Plan made debt payments on the ESOP Loan, an appropriate percentage of financed shares were allocated to eligible employees' accounts. Amounts allocated to a participant's account could not exceed Internal Revenue Service ("IRS") regulations.

During 2021, the ESOP Stock was liquidated; as such, there were no assets or liabilities pertaining to allocated or unallocated shares at December 31, 2021 or November 30, 2022.

#### Eligibility

Prior to Plan termination, substantially all employees (as defined in the Plan document) of the Company and its subsidiaries were eligible to participate in the Plan as of the entry date next following the date such employee had both a) completed a period of service of six months, and b) attained age 21. An eligible employee was automatically enrolled in the Plan on the January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> or October 1<sup>st</sup> following the date the eligibility requirements were met. With the exception of certain stipulations outlined in the Plan document, participants who did not have at least 1,000 hours of service during such Plan year or were not employed on the last working day of a Plan year were not eligible for an allocation of Company contributions and forfeitures for such year.

During 2021, newly eligible employees with an enrollment date prior to August 31, 2021 were also entitled to receive certain allocations (as discussed in *Participant Accounts* below). The service hours and end-of-year employment requirements for 2021 eligibility were waived. The terminating plan provisions did not permit any 2022 enrollments or allocations.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description and Basis of Presentation (*Continued*):

#### Employer Contributions

Prior to Plan termination, the Company was permitted to make contributions to the Plan during any Plan year. Such contributions were at least in an amount which, when combined with permissible dividends, were sufficient to pay principal and interest as required under the terms of the ESOP Loan. Employee contributions were not permitted. No employer contributions were made during the period from January 1, 2022 through November 30, 2022.

#### Payment of Benefits

Prior to Plan termination, distributions on account of death were made in a single lump sum in the Plan year following the event. Distributions for normal retirement and total disability began in the Plan year following the separation from service. Distributions for other separations from service (if the value of the account balance was in excess of \$1,000) were scheduled to commence on the later of: a) the fifth Plan year following the separation from service or, to the extent a participant's account balance held financed shares, b) the date the ESOP Loan was repaid. Distributions were scheduled to be made in substantially equal installments over a period of five years unless the participant account value exceeded a certain threshold, as stipulated by IRS, at which time the five-year payout period would be extended by one year but no more than five additional years. Distributions if the value of the account balance was less than \$1,000 occurred as a lump sum as soon as administratively feasible. The amount to be distributed was based upon the account valuation date immediately preceding the distribution. Distributions were made in the form of ESOP Stock plus cash for any fractional share of ESOP Stock.

Under the provisions of the Plan, the Company was obligated to repurchase participant shares which had been distributed under the terms of the Plan if the shares were not publicly traded or if the shares were subject to trading limitations (see Put Option).

In conjunction with the Plan termination, cash consideration was received from NCB for allocated shares (and unallocated shares that were not previously returned to NCB, as discussed in Note 6) of ESOP Stock to provide for distribution of account balances. Account balances were distributed based on participant election (i.e., lump sum distribution to the participant or direct transfer to NCB Management Services, Inc.'s 401(k) Plan, another qualified plan, or an Individual Retirement Account for the benefit of the participant).

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description and Basis of Presentation (*Continued*):

#### Payment of Benefits (Continued)

The timing of distributions was as follows: a) active participants received a distribution of approximately 80% of their account balance in December of 2021; b) terminated participants received a distribution of 100% of their account balance in December 2021; and c) subsequent to receipt of a favorable determination letter dated April 20, 2022, the remainder of active participant account balances as well as any remaining balances in terminated participant accounts were paid prior to November 30, 2022. For those participants that did not elect a distribution method, their account balance was rolled into NCB Management Services, Inc.'s 401(k) Plan.

#### Administrative Expenses

As provided in the Plan document, administrative expenses shall be paid by the Plan unless they are paid directly by the Company. No administrative expenses were paid by the Plan during the period from January 1, 2022 through November 30, 2022.

#### Voting Rights

The ESOP Committee directed the Trustee as to the vote of ESOP Stock, except on certain types of corporate matters. On these matters, each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account and was notified by the trustee prior to the time that such rights were to be exercised. Pursuant to the direction of the ESOP Committee, the trustee was authorized as to the vote on any allocated shares for which instructions have not been given by a participant as well as any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

#### Participant Accounts

The Plan was a defined contribution plan under which a separate individual account was established for each participant. Each participant's account was credited as of the last day of each Plan year with an allocation of shares of the ESOP Stock released by the trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. The release of share allocation was based first on the participant's portion of the allocated dividend used for loan payments using participant's adjusted beginning allocated shares to total adjusted beginning allocated shares. The remainder of the share allocation was based on the relation of a participant's eligible compensation to total eligible compensation. Participants who were eligible employees of the Company as of the last day of the Plan year had eligible compensation.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Participant Accounts (*Continued*)

Cash dividends paid by the Company with respect to non-financed shares of ESOP Stock allocated to participants' accounts were not permitted to be applied to the repayment of debt service. The allocation of such dividends was based on the relation of a participant's non-financed shares to total non-financed shares. Interest income was allocated to participants' accounts based on the relation of participant's cash to total cash. Plan administrative expenses were allocated based on a combination of the relation of participant's cash to total cash as well as the relation of participant's shares to total shares.

As a result of the Plan termination, no subsequent cash dividends were paid to the Plan and no ESOP Loan repayments were paid from the Plan. Accordingly, a release of share allocation did not transpire subsequent to the Plan termination date. In 2021, the value of unallocated shares (in excess of the number of shares required to be returned to NCB as full payment of the ESOP Loan) was allocated to participants based on the relation of participant's eligible compensation to total eligible compensation. Lastly, in 2021, participants received cash proceeds based on the number of their allocated shares sold at the liquidation price.

Allocations for the period from January 1, 2022 through November 30, 2022 consisted solely of interest income.

#### Vesting

Participants vested 20% per year of service after the completion of 2 years of vesting service, and were 100 percent vested after 6 years of service. If a participant's employment with the Company ended for a reason other than retirement or death, he or she vested in the balances in his or her account based on total years of service with the Company. Effective with the Plan's termination on August 31, 2021, participants became fully vested in their accounts.

#### Put Option

Under federal income tax regulations, the employer stock that was held by the Plan (prior to Plan termination) and its participants and was not readily tradable on an established market, or was subject to trading limitations, included a put option. The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there was no market. The put price was representative of the current fair market value of the stock. The Company could pay for the purchase with interest over a period of five years, if adequate security was provided for the deferred payments.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

---

### 1. Plan Description and Basis of Presentation (*Continued*):

#### Put Option (Continued)

The put option could be exercised within 60 days after the shares were distributed or within a second 60-day period in the next year following the determination of the fair market value of the ESOP Stock. The purpose of the put option was to ensure that the participant had the ability to ultimately obtain cash.

#### Diversification

Prior to Plan termination, diversification was offered to eligible participants close to retirement to provide an opportunity to move part of the value of their investment in ESOP Stock into more diversified investments. Participants who were at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account provided that the participant was employed with the Company at the time of such election. Diversification was not applicable during the period from January 1, 2022 through December 30, 2022.

#### Forfeitures

Plan forfeitures were first applied to restore the ESOP forfeited accounts of participants who previously terminated employment (and received a distribution) but returned before incurring their 5th consecutive break in service. Any remaining forfeited shares were then allocated to each participant's account as discussed above under *Participant Accounts*. There were no returning participants with ESOP accounts, nor were there any forfeitures allocated to participants for the period from January 1, 2022 through November 30, 2022. Forfeited non-vested accounts to be allocated to participant accounts in future years as of November 30, 2022 and December 31, 2021 were \$-0-.

### 2. Summary of Significant Accounting Policies:

#### Basis of Accounting

For the period from January 1, 2022 through November 30, 2022 and the year ended December 31, 2021, the financial statements were prepared using the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

November 30, 2022 (date of plan termination) and December 31, 2021

### 2. Summary of Significant Accounting Policies: (Continued):

#### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of Plan assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### Investment Valuation and Income Recognition

The shares of money market funds and the ESOP Stock are reported at fair value. See Note 5 for discussion of fair value measurements. Interest income is accrued when earned. Purchases and sales of securities are recorded on a trade-date basis. Realized gains from liquidation and gains and losses from security transactions are reported on the average cost method. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Payment of Benefits

Benefits are recorded when paid.

### 3. Information Prepared and Certified by the Trustee (Unaudited):

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified as complete and accurate by the trustee:

	<u>As of and for the Period From January 1, 2022 – November 30, 2022</u>
Investment in Fidelity Investments MM Funds	
Treasury I:	
Estimated fair value	\$ -
Interest income	19,380
	<u>December 31, 2021</u>
Investment in Fidelity Investments MM Funds	
Treasury I:	
Estimated fair value	\$ 5,895,470
Interest income receivable	50

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

---

November 30, 2022 (date of plan termination) and December 31, 2021

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### 4. ESOP Shares:

In conjunction with the Plan termination in 2021, ESOP shares were returned to NCB in for subsequent cancellation and cash consideration was received from NCB for allocated shares (and unallocated shares that were not previously returned to NCB, as discussed in Note 6). Accordingly, there were no ESOP shares at November 30, 2022 or December 31, 2021.

### 5. Fair Value Measurements:

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

The three levels of the fair value hierarchy 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 asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

November 30, 2022 (date of plan termination) and December 31, 2021

### 5. Fair Value Measurements (Continued):

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

Assets at Fair Value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fidelity Investments MM Funds Treasury I	<u>\$5,895,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,895,470</u>
Total Assets at Fair Value	<u>\$5,895,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,895,470</u>

Following is a description of the valuation methodologies used for assets measured at fair value.

- Investment in Fidelity Investments MM Funds Treasury I held by the Plan is reported at fair value based on quoted market price in active markets.

### 6. ESOP Loan Payable:

As discussed in Note 1, the Plan purchased 35,000 shares of ESOP Stock primarily by using the proceeds of the ESOP Loan and the Seller Loan. Effective September 1, 2015, the Company assumed the direct obligation to pay the sellers and added the amount then due on the Seller Loan to the principal due under the ESOP Loan.

The ESOP Loan was collateralized by the unallocated ESOP Stock. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The number of shares released in any year was the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments.

The ESOP Loan constituted an "exempt loan" within the meaning of section 4975(d)(3) of the IRC of 1986, as amended, Treasury Regulation section 54.4975-7(b), section 408(d)(3) of the ERISA of 1974, as amended, and DOL Regulation section 2250.408b-3.

At the Plan termination date, as part of the liquidation process, unallocated ESOP Stock was returned to NCB on August 31, 2021 as "full payment" of the ESOP. At November 30, 2022 and December 31, 2021 the balance due on the ESOP Loan was \$-0-.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 7. Administration of Plan Assets:

The Plan's assets, money market funds and, prior to Plan termination, ESOP Stock, were held and managed by the trustee of the Plan. The trustee made distributions to participants. Prior to Plan termination, the trustee invested dividend income and administered the payment of interest and principal on the loans. Certain administrative functions were performed by the ESOP Committee which received no compensation from the Plan. Administrative expenses for the trustee's fees were paid directly by the Company.

### 8. Related Party and Party-In-Interest Transactions:

The Plan previously invested in the ESOP Stock financed by the Company, a related party (See Note 6). See also Note 1 as discussed under *Benefit Payments* for cash consideration from NCB to provide for distribution of account balances. The Company was a party-in-interest, and the transactions were considered party-in-interest transactions under ERISA. Service providers used by the Plan were also parties in interest under ERISA. During 2022, the Company paid all Plan expenses.

### 9. Risks and Uncertainties:

The Plan investments previously consisted primarily of the ESOP Stock, which was exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and other such techniques. As previously discussed, the ESOP Stock was liquidated, effective August 31, 2021, and as such, risks and uncertainties surrounding ESOP Stock valuation were no longer relevant.

### 10. Tax Status:

The IRS has determined and informed the Company by a letter dated October 5, 2016, that the Plan and related trust were designed in accordance with the applicable sections of the IRC. Although the Plan was amended since receiving the determination letter, the Plan administrator and the Plan's legal counsel believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC and, therefore, believed that the Plan was qualified, and the related trust was tax-exempt. Therefore, no provision for income taxes was made in the financial statements.

In conjunction with the Plan termination, the Plan applied for and received a termination determination letter, dated April 20, 2022.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 10. Tax Status *(Continued)*:

Accounting principles generally accepted in the United States of America required Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan was subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### 11. Subsequent Events:

Management of the Plan sponsor have evaluated subsequent events through May 31, 2023, which is the date the financial statements were available to be issued, and determined that no such events require adjustment to, or disclosure in these financial statements.

**NCB Management Services, Inc. Employee Stock Ownership Plan**

**Supplemental Information**

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**NCB Management Services, Inc. Employee Stock Ownership Plan**

**Schedule H, Line 4j  
Schedule of Reportable Transactions  
EIN 23-2777046 (002)**

Year Ended December 31, 2022

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of party involved</u>	<u>Description of asset (include interest rate and maturity date in case of a loan)</u>	<u>Purchase price</u>	<u>Selling price</u>	<u>Lease rental</u>	<u>Expense incurred with transaction</u>	<u>Cost of asset</u>	<u>Current value of asset on transaction date</u>	<u>Net gain or (loss)</u>
<b>Series of transactions in excess of 5%</b>								
Fidelity Investments	Fidelity Investments MM Funds Treasury I	\$	\$ 5,912,204	\$ -	\$ -	\$ 5,912,204	\$ 5,912,204	\$ -

*See independent auditor's report.*

**NCB Management Services, Inc.  
Employee Stock Ownership Plan**

**Financial Statements  
Supplemental Information and  
Independent Auditor's Report**

**Period January 1, 2022 to  
November 30, 2022 (Plan termination)  
and December 31, 2021**

# NCB Management Services, Inc. Employee Stock Ownership Plan

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**Citrin Cooperman & Company, LLP**  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

The ESOP Committee  
NCB Management Services, Inc. Employee Stock Ownership Plan  
Trevose, Pennsylvania

### Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the financial statements of NCB Management Services, Inc. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets in liquidation as of November 30, 2022 (date of plan termination), and the related statement of changes in net assets in liquidation for the period January 1, 2022 to November 30, 2022 (date of plan termination) and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of NCB Management Services, Inc. Employee Stock Ownership Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period ended November 30, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NCB Management Services, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### **Emphasis of Matter—Basis of Accounting**

As discussed in Note 1 to the financial statements, the governing body of NCB Management Services, Inc. Employee Stock Ownership Plan approved a plan of liquidation on August 31, 2021, and, as of November 30, 2022, all assets of the Plan have been liquidated and the Plan has been terminated. The accompanying financial statements are therefore presented on the liquidation basis of accounting. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management’s election of the ERISA Section 103(a)(3)(C) audit does not affect management’s responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NCB Management Services, Inc. Employee Stock Ownership Plan’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan’s transactions that are presented and disclosed in the financial statements are in conformity with the Plan’s provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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## Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NCB Management Services, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NCB Management Services, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplemental Schedule Required by ERISA**

The supplemental Schedule of Reportable Transactions for the period ended November 30, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Auditor's Report on the 2021 Financial Statements**

Predecessor auditors performed an audit of the 2021 financial statements of NCB Management Services, Inc. Employee Stock Ownership Plan. In accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the plan that were certified by a qualified institution. Their report dated October 5, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the

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2021 supplemental schedules, other than the information in the 2021 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).

*Citrin Cooperman & Company, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Voorhees, New Jersey  
May 31, 2023

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# NCB Management Services, Inc. Employee Stock Ownership Plan

## Statements of Net Assets in Liquidation

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	November 30, 2022 (Liquidation Basis)	December 31, 2021 (Liquidation Basis)
<b>Assets</b>		
Investments at fair value:		
Fidelity Investments MM Funds		
Treasury I	\$ -	\$ 5,895,470
Receivables:		
Interest income	<u>-</u>	<u>50</u>
 Total assets	 <u>-</u>	 <u>5,895,520</u>
<b>Liabilities</b>		
	<u>-</u>	<u>-</u>
 Net assets available for benefits	 <u>\$ -</u>	 <u>\$ 5,895,520</u>

*See notes to financial statements.*

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Statement of Changes in Net Assets in Liquidation

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For the period from January 1, 2022 through November 30, 2022 (Liquidation Basis)

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Additions:	
Investment income:	
Interest	\$ 19,380
	<hr/>
Total additions	19,380
	<hr/>
Deductions:	
Benefit payments	5,914,900
	<hr/>
Total deductions	5,914,900
	<hr/>
Net decrease	(5,895,520)
Net assets available for benefits:	
Beginning of year	5,895,520
	<hr/>
End of year	\$ -
	<hr/> <hr/>

*See notes to financial statements.*

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description

The following description of the NCB Management Services, Inc. Employee Stock Ownership Plan (the "Plan") ("ESOP") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### Plan Termination

On July 22, 2021, NCB Management Services, Inc. ("NCB" or the "Company") entered into a Stock Purchase Agreement and, effective August 31, 2021, the Company signed an Agreement and Plan of Merger. Pursuant to the Stock Purchase Agreement, the board of directors of the Company adopted and approved an amendment to the ESOP providing for the termination of the ESOP and final allocations, vesting, and payment of benefits thereunder. The effective date of the amendment and Plan termination was August 31, 2021. Accordingly, no further contributions were made to the ESOP. As of November 30, 2022, all account balances were distributed from the Plan in accordance with the terms of the Plan. See Note 2 for discussion of the liquidation basis of accounting.

#### General

The Company adopted the ESOP which operated, in relevant part, as a leveraged employee stock ownership plan. The Plan was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("IRC") and was subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan was administered by an ESOP Committee appointed by the Company's board of directors. An independent third-party company was hired as the Plan's trustee.

The Plan purchased 35,000 shares of the Company's 7% convertible preferred stock ("ESOP Stock") on December 30, 2014 using the proceeds of: a) a loan from the Company (the "ESOP Loan") and loans from two related parties (i.e., the former shareholders of the Company) (the "Seller Loan"), and b) Company contributions. Effective September 1, 2015, the Company assumed the direct obligation to pay the sellers and added the amount then due on the Seller Loan to the principal due under the ESOP Loan. Prior to Plan termination, the ESOP Stock was held in a trust under the Plan.

The ESOP Loan was collateralized by the unallocated shares of ESOP Stock. The Company had no rights against shares of ESOP Stock once they were allocated to participants in accordance with the terms of the ESOP.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description (*Continued*):

#### Allocations

Previously, the financial statements of the Plan presented separately the assets and liabilities pertaining to:

- a. the accounts of employees with rights in allocated ESOP Stock (allocated), and;
- b. ESOP Stock not yet allocated to employees (unallocated), including shares that were committed to be released. Shares were released from collateral and became allocated generally in the period in which debt service was actually paid.

As the Plan made debt payments on the ESOP Loan, an appropriate percentage of financed shares were allocated to eligible employees' accounts. Amounts allocated to a participant's account could not exceed Internal Revenue Service ("IRS") regulations.

During 2021, the ESOP Stock was liquidated; as such, there were no assets or liabilities pertaining to allocated or unallocated shares at December 31, 2021 or November 30, 2022.

#### Eligibility

Prior to Plan termination, substantially all employees (as defined in the Plan document) of the Company and its subsidiaries were eligible to participate in the Plan as of the entry date next following the date such employee had both a) completed a period of service of six months, and b) attained age 21. An eligible employee was automatically enrolled in the Plan on the January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> or October 1<sup>st</sup> following the date the eligibility requirements were met. With the exception of certain stipulations outlined in the Plan document, participants who did not have at least 1,000 hours of service during such Plan year or were not employed on the last working day of a Plan year were not eligible for an allocation of Company contributions and forfeitures for such year.

During 2021, newly eligible employees with an enrollment date prior to August 31, 2021 were also entitled to receive certain allocations (as discussed in *Participant Accounts* below). The service hours and end-of-year employment requirements for 2021 eligibility were waived. The terminating plan provisions did not permit any 2022 enrollments or allocations.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Employer Contributions

Prior to Plan termination, the Company was permitted to make contributions to the Plan during any Plan year. Such contributions were at least in an amount which, when combined with permissible dividends, were sufficient to pay principal and interest as required under the terms of the ESOP Loan. Employee contributions were not permitted. No employer contributions were made during the period from January 1, 2022 through November 30, 2022.

#### Payment of Benefits

Prior to Plan termination, distributions on account of death were made in a single lump sum in the Plan year following the event. Distributions for normal retirement and total disability began in the Plan year following the separation from service. Distributions for other separations from service (if the value of the account balance was in excess of \$1,000) were scheduled to commence on the later of: a) the fifth Plan year following the separation from service or, to the extent a participant's account balance held financed shares, b) the date the ESOP Loan was repaid. Distributions were scheduled to be made in substantially equal installments over a period of five years unless the participant account value exceeded a certain threshold, as stipulated by IRS, at which time the five-year payout period would be extended by one year but no more than five additional years. Distributions if the value of the account balance was less than \$1,000 occurred as a lump sum as soon as administratively feasible. The amount to be distributed was based upon the account valuation date immediately preceding the distribution. Distributions were made in the form of ESOP Stock plus cash for any fractional share of ESOP Stock.

Under the provisions of the Plan, the Company was obligated to repurchase participant shares which had been distributed under the terms of the Plan if the shares were not publicly traded or if the shares were subject to trading limitations (see Put Option).

In conjunction with the Plan termination, cash consideration was received from NCB for allocated shares (and unallocated shares that were not previously returned to NCB, as discussed in Note 6) of ESOP Stock to provide for distribution of account balances. Account balances were distributed based on participant election (i.e., lump sum distribution to the participant or direct transfer to NCB Management Services, Inc.'s 401(k) Plan, another qualified plan, or an Individual Retirement Account for the benefit of the participant).

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Payment of Benefits (Continued)

The timing of distributions was as follows: a) active participants received a distribution of approximately 80% of their account balance in December of 2021; b) terminated participants received a distribution of 100% of their account balance in December 2021; and c) subsequent to receipt of a favorable determination letter dated April 20, 2022, the remainder of active participant account balances as well as any remaining balances in terminated participant accounts were paid prior to November 30, 2022. For those participants that did not elect a distribution method, their account balance was rolled into NCB Management Services, Inc.'s 401(k) Plan.

#### Administrative Expenses

As provided in the Plan document, administrative expenses shall be paid by the Plan unless they are paid directly by the Company. No administrative expenses were paid by the Plan during the period from January 1, 2022 through November 30, 2022.

#### Voting Rights

The ESOP Committee directed the Trustee as to the vote of ESOP Stock, except on certain types of corporate matters. On these matters, each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account and was notified by the trustee prior to the time that such rights were to be exercised. Pursuant to the direction of the ESOP Committee, the trustee was authorized as to the vote on any allocated shares for which instructions have not been given by a participant as well as any unallocated shares on behalf of the collective best interests of Plan participants and beneficiaries.

#### Participant Accounts

The Plan was a defined contribution plan under which a separate individual account was established for each participant. Each participant's account was credited as of the last day of each Plan year with an allocation of shares of the ESOP Stock released by the trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. The release of share allocation was based first on the participant's portion of the allocated dividend used for loan payments using participant's adjusted beginning allocated shares to total adjusted beginning allocated shares. The remainder of the share allocation was based on the relation of a participant's eligible compensation to total eligible compensation. Participants who were eligible employees of the Company as of the last day of the Plan year had eligible compensation.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Participant Accounts (*Continued*)

Cash dividends paid by the Company with respect to non-financed shares of ESOP Stock allocated to participants' accounts were not permitted to be applied to the repayment of debt service. The allocation of such dividends was based on the relation of a participant's non-financed shares to total non-financed shares. Interest income was allocated to participants' accounts based on the relation of participant's cash to total cash. Plan administrative expenses were allocated based on a combination of the relation of participant's cash to total cash as well as the relation of participant's shares to total shares.

As a result of the Plan termination, no subsequent cash dividends were paid to the Plan and no ESOP Loan repayments were paid from the Plan. Accordingly, a release of share allocation did not transpire subsequent to the Plan termination date. In 2021, the value of unallocated shares (in excess of the number of shares required to be returned to NCB as full payment of the ESOP Loan) was allocated to participants based on the relation of participant's eligible compensation to total eligible compensation. Lastly, in 2021, participants received cash proceeds based on the number of their allocated shares sold at the liquidation price.

Allocations for the period from January 1, 2022 through November 30, 2022 consisted solely of interest income.

#### Vesting

Participants vested 20% per year of service after the completion of 2 years of vesting service, and were 100 percent vested after 6 years of service. If a participant's employment with the Company ended for a reason other than retirement or death, he or she vested in the balances in his or her account based on total years of service with the Company. Effective with the Plan's termination on August 31, 2021, participants became fully vested in their accounts.

#### Put Option

Under federal income tax regulations, the employer stock that was held by the Plan (prior to Plan termination) and its participants and was not readily tradable on an established market, or was subject to trading limitations, included a put option. The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there was no market. The put price was representative of the current fair market value of the stock. The Company could pay for the purchase with interest over a period of five years, if adequate security was provided for the deferred payments.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 1. Plan Description and Basis of Presentation (*Continued*):

#### Put Option (Continued)

The put option could be exercised within 60 days after the shares were distributed or within a second 60-day period in the next year following the determination of the fair market value of the ESOP Stock. The purpose of the put option was to ensure that the participant had the ability to ultimately obtain cash.

#### Diversification

Prior to Plan termination, diversification was offered to eligible participants close to retirement to provide an opportunity to move part of the value of their investment in ESOP Stock into more diversified investments. Participants who were at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account provided that the participant was employed with the Company at the time of such election. Diversification was not applicable during the period from January 1, 2022 through December 30, 2022.

#### Forfeitures

Plan forfeitures were first applied to restore the ESOP forfeited accounts of participants who previously terminated employment (and received a distribution) but returned before incurring their 5th consecutive break in service. Any remaining forfeited shares were then allocated to each participant's account as discussed above under *Participant Accounts*. There were no returning participants with ESOP accounts, nor were there any forfeitures allocated to participants for the period from January 1, 2022 through November 30, 2022. Forfeited non-vested accounts to be allocated to participant accounts in future years as of November 30, 2022 and December 31, 2021 were \$-0-.

### 2. Summary of Significant Accounting Policies:

#### Basis of Accounting

For the period from January 1, 2022 through November 30, 2022 and the year ended December 31, 2021, the financial statements were prepared using the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

November 30, 2022 (date of plan termination) and December 31, 2021

### 2. Summary of Significant Accounting Policies: (Continued):

#### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of Plan assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### Investment Valuation and Income Recognition

The shares of money market funds and the ESOP Stock are reported at fair value. See Note 5 for discussion of fair value measurements. Interest income is accrued when earned. Purchases and sales of securities are recorded on a trade-date basis. Realized gains from liquidation and gains and losses from security transactions are reported on the average cost method. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### Payment of Benefits

Benefits are recorded when paid.

### 3. Information Prepared and Certified by the Trustee (Unaudited):

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified as complete and accurate by the trustee:

	<u>As of and for the Period From January 1, 2022 – November 30, 2022</u>
Investment in Fidelity Investments MM Funds	
Treasury I:	
Estimated fair value	\$ -
Interest income	19,380
	<u>December 31, 2021</u>
Investment in Fidelity Investments MM Funds	
Treasury I:	
Estimated fair value	\$ 5,895,470
Interest income receivable	50

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 4. ESOP Shares:

In conjunction with the Plan termination in 2021, ESOP shares were returned to NCB in for subsequent cancellation and cash consideration was received from NCB for allocated shares (and unallocated shares that were not previously returned to NCB, as discussed in Note 6). Accordingly, there were no ESOP shares at November 30, 2022 or December 31, 2021.

### 5. Fair Value Measurements:

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

The three levels of the fair value hierarchy 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 asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

November 30, 2022 (date of plan termination) and December 31, 2021

### 5. Fair Value Measurements (Continued):

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

Assets at Fair Value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fidelity Investments MM Funds Treasury I	<u>\$5,895,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,895,470</u>
Total Assets at Fair Value	<u>\$5,895,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,895,470</u>

Following is a description of the valuation methodologies used for assets measured at fair value.

- Investment in Fidelity Investments MM Funds Treasury I held by the Plan is reported at fair value based on quoted market price in active markets.

### 6. ESOP Loan Payable:

As discussed in Note 1, the Plan purchased 35,000 shares of ESOP Stock primarily by using the proceeds of the ESOP Loan and the Seller Loan. Effective September 1, 2015, the Company assumed the direct obligation to pay the sellers and added the amount then due on the Seller Loan to the principal due under the ESOP Loan.

The ESOP Loan was collateralized by the unallocated ESOP Stock. Shares were released from collateral and allocated to participants as payments of principal and interest were made. The number of shares released in any year was the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments.

The ESOP Loan constituted an "exempt loan" within the meaning of section 4975(d)(3) of the IRC of 1986, as amended, Treasury Regulation section 54.4975-7(b), section 408(d)(3) of the ERISA of 1974, as amended, and DOL Regulation section 2250.408b-3.

At the Plan termination date, as part of the liquidation process, unallocated ESOP Stock was returned to NCB on August 31, 2021 as "full payment" of the ESOP. At November 30, 2022 and December 31, 2021 the balance due on the ESOP Loan was \$-0-.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 7. Administration of Plan Assets:

The Plan's assets, money market funds and, prior to Plan termination, ESOP Stock, were held and managed by the trustee of the Plan. The trustee made distributions to participants. Prior to Plan termination, the trustee invested dividend income and administered the payment of interest and principal on the loans. Certain administrative functions were performed by the ESOP Committee which received no compensation from the Plan. Administrative expenses for the trustee's fees were paid directly by the Company.

### 8. Related Party and Party-In-Interest Transactions:

The Plan previously invested in the ESOP Stock financed by the Company, a related party (See Note 6). See also Note 1 as discussed under *Benefit Payments* for cash consideration from NCB to provide for distribution of account balances. The Company was a party-in-interest, and the transactions were considered party-in-interest transactions under ERISA. Service providers used by the Plan were also parties in interest under ERISA. During 2022, the Company paid all Plan expenses.

### 9. Risks and Uncertainties:

The Plan investments previously consisted primarily of the ESOP Stock, which was exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and other such techniques. As previously discussed, the ESOP Stock was liquidated, effective August 31, 2021, and as such, risks and uncertainties surrounding ESOP Stock valuation were no longer relevant.

### 10. Tax Status:

The IRS has determined and informed the Company by a letter dated October 5, 2016, that the Plan and related trust were designed in accordance with the applicable sections of the IRC. Although the Plan was amended since receiving the determination letter, the Plan administrator and the Plan's legal counsel believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC and, therefore, believed that the Plan was qualified, and the related trust was tax-exempt. Therefore, no provision for income taxes was made in the financial statements.

In conjunction with the Plan termination, the Plan applied for and received a termination determination letter, dated April 20, 2022.

# NCB Management Services, Inc. Employee Stock Ownership Plan

## Notes to Financial Statements

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November 30, 2022 (date of plan termination) and December 31, 2021

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### 10. Tax Status *(Continued)*:

Accounting principles generally accepted in the United States of America required Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan was subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### 11. Subsequent Events:

Management of the Plan sponsor have evaluated subsequent events through May 31, 2023, which is the date the financial statements were available to be issued, and determined that no such events require adjustment to, or disclosure in these financial statements.

**NCB Management Services, Inc. Employee Stock Ownership Plan**

**Supplemental Information**

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**NCB Management Services, Inc. Employee Stock Ownership Plan**

**Schedule H, Line 4j  
Schedule of Reportable Transactions  
EIN 23-2777046 (002)**

Year Ended December 31, 2022

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of party involved</u>	Description of asset (include interest rate and maturity date in case of a loan)	<u>Purchase price</u>	<u>Selling price</u>	<u>Lease rental</u>	<u>Expense incurred with transaction</u>	<u>Cost of asset</u>	<u>Current value of asset on transaction date</u>	<u>Net gain or (loss)</u>
<b>Series of transactions in excess of 5%</b>								
Fidelity Investments	Fidelity Investments MM Funds Treasury I	\$	\$ 5,912,204	\$ -	\$ -	\$ 5,912,204	\$ 5,912,204	\$ -

*See independent auditor's report.*