

BEACON ROOFING SUPPLY INC
Form 11-K
March 28, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS

AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission File Number 000-50924

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
BEACON SALES ACQUISITION, INC.

401(K) PROFIT SHARING PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
BEACON ROOFING SUPPLY, INC.

505 Huntmar Park Drive, Suite 300

Herndon, Virginia 20170

BEACON SALES ACQUISITION, INC.

401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

BEACON SALES ACQUISITION, INC. 401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Plan Participants and 401(k) Plan Investment Committee

Beacon Sales Acquisition, Inc. 401(k) Profit Sharing Plan

Herndon, Virginia

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the Beacon Sales Acquisition, Inc. 401(k) Profit Sharing Plan (the “Plan”) as of September 30, 2018 and 2017, the related statements of changes in net assets available for benefits for the years then ended, and the related notes (collectively, the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of September 30, 2018 and 2017, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on the Plan’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by the Plan’s management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter – Change in Basis of Accounting

As discussed in Note 2 to the financial statements, the Plan changed its basis of accounting from the modified cash basis to the accrual basis of accounting for the year ended September 30, 2018.

Supplemental Information

The supplemental information in the accompanying Schedule of Assets (Held at End of Year) as of September 30, 2018 and Schedule of Delinquent Participant Contributions for the year ended September 30, 2018 have been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but included supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BDO USA, LLP

We have served as the Plan's auditor since 2015.

Grand Rapids, Michigan

March 28, 2019

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BEACON SALES ACQUISITION, INC. 401(k) PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

| | September 30, | |
|--------------------------------------|---------------|---------------|
| | 2018 | 2017 |
| Assets | | |
| Investments at fair value: | | |
| Mutual funds | \$311,755,019 | \$245,212,473 |
| Common/collective trust | 18,703,954 | 16,928,298 |
| Employer securities | 4,259,374 | 5,200,904 |
| Total investments at fair value | 334,718,347 | 267,341,675 |
| Receivables: | | |
| Employer contributions receivable | 332,946 | - |
| Participant contributions receivable | 808,654 | - |
| Notes receivable from participants | 8,988,727 | 6,452,823 |
| Total receivables | 10,130,327 | 6,452,823 |
| Net assets available for benefits | \$344,848,674 | \$273,794,498 |

See accompanying notes

BEACON SALES ACQUISITION, INC. 401(k) PROFIT SHARING PLAN

Statements of Changes in Net Assets Available for Benefits

| | Year Ended September 30, | |
|---|--------------------------|----------------|
| | 2018 | 2017 |
| Additions | | |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | \$ 14,513,812 | \$ 25,545,503 |
| Interest and dividends | 11,615,360 | 8,678,998 |
| Total investment income | 26,129,172 | 34,224,501 |
| Interest income on notes receivable from participants | 342,150 | 249,702 |
| Contributions: | | |
| Employer | 11,916,341 | 7,102,919 |
| Participant | 30,553,504 | 19,262,019 |
| Rollover | 32,198,064 | 1,922,055 |
| Total contributions | 74,667,909 | 28,286,993 |
| Total additions | 101,139,231 | 62,761,196 |
| Deductions | | |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | 31,197,135 | 19,497,856 |
| Administrative expenses | 241,800 | 215,526 |
| Total deductions | 31,438,935 | 19,713,382 |
| Net increase | 69,700,296 | 43,047,814 |
| Transfer of assets to Plan | 1,353,880 | 68,613 |
| Net assets available for benefits: | | |
| Beginning of year | 273,794,498 | 230,678,071 |
| End of year | \$ 344,848,674 | \$ 273,794,498 |

See accompanying notes

BEACON SALES ACQUISITION, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements

1. Description of Plan

The following description of Beacon Sales Acquisition, Inc. 401(k) Profit Sharing Plan (the “Plan”) provides only general information. Participants should refer to the Plan Document, including the Adoption Agreement, for more complete information. The Plan Sponsor is Beacon Sales Acquisition, Inc. (the “Company”).

General – The Plan is a defined contribution plan covering all non-union employees of the Company who have completed ninety (90) days of service with the Company and are age twenty-one (21) or older. Eligible participants are automatically enrolled in the Plan once they have attained 21 years of age and have completed 90 days of service unless they affirmatively decline to participate. Employees covered by a collective bargaining agreement are generally excluded from participation. All employees who are non-resident aliens are also excluded from participation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Transfer of Assets to the Plan – The Company has completed a number of acquisitions since the inception of the Plan. Employees of the acquired companies became eligible to participate in the Plan as of the applicable acquisition dates and may elect to roll over account balances from qualified plans. Employees elected to roll over \$32,198,064 and \$1,922,055 for the years ended September 30, 2018 and 2017, respectively. Participants were also allowed to roll over loan balances into the Plan, resulting in total loan transfers of \$1,353,880 and \$68,613 into the Plan, for the years ended September 30, 2018 and 2017, respectively.

Contributions – Each year, participants may contribute up to one hundred percent (100%) of their pre-tax or after-tax annual compensation as defined in the Plan, subject to Internal Revenue Code (“IRC”) limitations (\$18,500 and \$18,000 for 2018 and 2017, respectively). Individuals who are age fifty (50) or older, and who contribute the maximum federal limit, are eligible to make an additional contribution called a “catch-up contribution.” The allowed maximum catch-up contribution for 2018 and 2017 was \$6,000. The Plan has an automatic enrollment feature; if automatically enrolled, a participant’s deferral is set at 6% of eligible compensation until changed by the participant, or the participant elects not to participate in the Plan. Participants may also contribute amounts representing rollover distributions from other qualified plans.

All Company contributions are determined at the discretion of the Company’s board of directors. For the years ended September 30, 2018 and 2017, the Company made matching contributions equal to fifty percent (50%) of the first 6% of a participant’s elective contribution based on pre-tax or after-tax eligible compensation. There were no profit-sharing contributions for the years ended September 30, 2018 and 2017.

Participant Accounts – Each participant’s account is credited with the participant’s contributions and allocations of a) the Company’s contributions, b) Plan earnings, and c) Plan expenses. Allocations are based upon participant compensation, contributions and/or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Investment Options – Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan offers twenty-nine (29) mutual funds, one (1) common/collective trust fund, and the stock of the Company as investment options. The investment options offered by the Plan provide for a range of investment objectives, including growth, growth and income, and income and capital stability. The Plan includes provisions for voting shares of Company stock. Participants may invest up to a limit of 15% of their account balance in Company stock.

Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company’s contributed portion of their accounts, plus the earnings thereon, is based on years of service. A participant is one hundred percent (100%) vested in both the discretionary profit-sharing and matching Company contributions after six (6) years of credited service (minimum 1,000 hours per Plan year). Vesting is accelerated upon termination due to early or normal retirement, death or

disability. The following represents the vesting schedules for both the discretionary profit-sharing and matching Company contributions:

| Years of Service | Vested Percentage | |
|-------------------------|-------------------|---|
| Less than two (2) years | 0 | % |
| Two (2) years | 20 | % |
| Three (3) years | 40 | % |
| Four (4) years | 60 | % |
| Five (5) years | 80 | % |
| Six (6) years | 100 | % |

Notes Receivable from Participants – Participants may borrow from their accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 (reduced by the highest outstanding balance of any prior loans from the Plan during the prior one-year period), or fifty percent (50%) of their vested account balance. For the year ended September 30, 2018, the interest rates charged on participant loans ranged from 3.25% to 9.25%. Principal and interest amounts are paid through payroll deductions. Participants are charged a fee when taking out a loan. For the years ended September 30, 2018 and 2017, there were fees of \$62,560 and \$46,835 charged to loan recipients, respectively, which are included in administrative expenses on the statements of changes in net assets available for benefits.

Payment of Benefits – Benefits are payable in a lump sum upon separation from service, death or disability. In-service distributions are available for hardship, or attainment of age 59½. In any event, payment of benefits must commence at the later of when the participant reaches age 70½ or termination of employment (except benefit payments must commence at age 70½ if the participant owns 5% or more of the Company’s outstanding stock). Participants may also receive distributions from rollovers of prior qualified plans.

The Plan also provides for involuntary distribution of account balances for terminated participants with account balances of less than \$1,000. Participant accounts of terminated participants with balances between \$1,000 and \$5,000 are automatically rolled into an individual retirement account (“IRA”) if the participant does not elect payment.

Forfeitures – Forfeitures of the non-vested portion of participant accounts will be first used to reduce Company matching contributions and then discretionary profit-sharing contributions. Total forfeitures of \$200,353 and \$975,128 were used in a combination of these ways in the years ended September 30, 2018 and 2017, respectively. As of September 30, 2018 and 2017, the balances in the forfeitures account totaled \$1,178,844 and \$426,144, respectively.

Administrative Expenses – Expenses incurred in the administration of the Plan are paid directly by the Company, except those relating to recordkeeping fees on the participant loans and processing fees for certain benefit payments that are allocated to the respective individual participants’ accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting – During 2018, the Plan changed its basis of accounting from the modified cash basis to the accrual basis of accounting. The impact to the 2018 financial statements resulted in an increase to the Statement of Net Assets Available for Benefits, and related Statement of Changes in Net Assets Available for Benefits in the amount of \$1,141,600 due to the recording of participant and employer contributions of \$808,654 and \$332,946, respectively. No adjustments were made to the 2017 financial statements, as the impact was not material.

Use of Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles (“GAAP”) requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Investments – Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for discussion of fair value measurements.

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

Notes Receivable from Participant Accounts – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Contributions – Contributions are recorded on an accrual basis.

Payment of Benefits – Benefits are recorded when paid.

3. Fair Value Measurements

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting guidance establishes a defined three-tier hierarchy to classify and disclose the fair value of assets and liabilities on both the date of their initial measurement as well as all subsequent periods. The fair value hierarchy prioritizes the inputs used to measure fair value by the lowest level of input that is available and significant to the fair value measurement. The three levels are described as follows:

Level 1: Observable inputs. Quoted prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than the quoted price. Includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets and amounts derived from valuation models where all significant inputs are observable in active markets; and

Level 3: Unobservable inputs. Includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level of classification as of each reporting period.

The following is a description of the valuation methods used for Plan assets measured at fair value as of September 30, 2018 and 2017. There were no changes in the methods used as of September 30, 2018 and 2017.

Mutual funds: Valued at the net asset value of shares held by the Plan at year-end, quoted in an active market.

Common/collective trust: The fair value of participation units held in the Reliance Trust Stable Value Fund (MetLife Series 25157, Class 35), a common/collective trust (“CCT”) is based on net asset value, as reported by the manager of the collective trust fund, Reliance Trust Company, and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date. The CCT invests entirely in the MetLife Group Annuity Contract 25157, which consists of separately managed investment portfolios in fixed income securities, and also enters into wrapper contracts, which are issued by third-parties and are designed to allow the Fund to maintain a constant net asset value. The CCT provides for daily redemptions by the Plan at reported net asset value, with no advance notice requirements.

Employer securities: Valued at the closing price reported by the Nasdaq Global Select Market at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and

consistent with other market participants, the use of different methods or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following table sets forth by level, within the fair value hierarchy, the Plan's assets carried at fair value as of September 30, 2018 and 2017:

| Assets at Fair Value as of September 30, 2018 | | | | | |
|---|---------------|---------|---------|--------------------|---------------|
| | Level 1 | Level 2 | Level 3 | Other ¹ | Total |
| Mutual funds | \$311,755,019 | \$ - | \$ - | \$- | \$311,755,019 |
| Employer securities | 4,259,374 | - | - | - | 4,259,374 |
| Common/collective trust | - | - | - | 18,703,954 | 18,703,954 |
| Total investments at fair value | \$316,014,393 | \$ - | \$ - | \$18,703,954 | \$334,718,347 |

| Assets at Fair Value as of September 30, 2017 | | | | | |
|---|---------------|---------|---------|--------------------|---------------|
| | Level 1 | Level 2 | Level 3 | Other ¹ | Total |
| Mutual funds | \$245,212,473 | \$ - | \$ - | \$- | \$245,212,473 |
| Employer securities | 5,200,904 | - | - | - | 5,200,904 |
| Common/collective trust | - | - | - | 16,928,298 | 16,928,298 |
| Total investments at fair value | \$250,413,377 | \$ - | \$ - | \$16,928,298 | \$267,341,675 |

¹Asset fair value is measured using net asset value as a practical expedient and therefore excluded from the fair value hierarchy.

4. Related Party Transactions

The Company pays certain administrative expenses of the Plan. In addition, certain expenses are paid using a revenue sharing arrangement and are included in administrative expenses on the statements of changes in net assets available for benefits. Total investment advisory and other fees paid out of this revenue sharing arrangement were \$136,950 and \$141,420 for the years ended September 30, 2018 and 2017, respectively. The total allocated to participants out of this revenue sharing arrangement was \$367,972 for the year ended September 30, 2018 and none for the year ended September 30, 2017.

The Plan holds shares of mutual funds managed by American Funds Service Company (American Funds). FASCore, LLC (FASCore) is the record keeper and Capital Bank & Trust Company (CB&T) is the trustee. CB&T and American Funds are affiliated entities. The Plan also invests in the common stock of the Company. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

5. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become fully vested in their accounts.

6. Tax Status

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated March 31, 2014 stating that the form of the plan is qualified under Section 401(a) of the IRC, and therefore, the related trust is tax exempt. In accordance with Revenue Procedures 2013-6 and 2011-49, the Plan Sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan Sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

GAAP requires plan management to evaluate uncertain tax positions taken by defined contribution plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Sponsor has analyzed the tax positions taken by the Plan and has concluded that, as of September 30, 2018 and 2017, there were no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

7. Risks and Uncertainties

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

8. Delinquent Participant Contributions

The Company failed to remit certain participant contributions to the Plan in a timely manner, according to Department of Labor regulations, totaling \$51,099 and \$21,366 for the years ended September 30, 2018 and 2017, respectively. The lost earnings from these late remittances are immaterial and either have been or will be allocated to Plan participants.

9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of September 30, 2018 and 2017:

| | September 30, | |
|--|---------------|---------------|
| | 2018 | 2017 |
| Net assets available for benefits per the financial statements | \$344,848,674 | \$273,794,498 |
| Receivables | (1,141,600) | - |
| Net assets available for benefits per Form 5500 | \$343,707,074 | \$273,794,498 |

The following is a reconciliation of the increase in net assets available for benefits per the financial statements to Form 5500 for the years ended September 30, 2018 and 2017:

| | Year Ended September 30, | |
|--|--------------------------|--------------|
| | 2018 | 2017 |
| Increase in net assets available for benefits per the financial statements | \$69,700,296 | \$43,047,814 |
| Change in receivables | (1,141,600) | - |
| Increase in net assets available for benefits per Form 5500 | \$68,558,696 | \$43,047,814 |

SUPPLEMENTAL SCHEDULE

BEACON SALES ACQUISITION, INC. 401(k) PROFIT SHARING PLAN

PLAN: 001

EIN: 36-4173366

Schedule H, Line 4(i) -

Schedule of Assets (Held at End of Year)

September 30, 2018

| (a) | (b) | (c) | (e) |
|-----|---|---------------------------|---------------|
| | Identity of issuer, borrower, lessor or similar party | Description of investment | Current value |
| | Mutual Funds: | | |
| * | American Funds Growth Fund Of Amer R4 | 797,022 Shares | \$44,752,777 |
| * | American Funds 2030 Target Date Fund R4 | 1,862,196 Shares | 27,783,971 |
| * | American Funds 2025 Target Date Fund R4 | 1,959,355 Shares | 26,999,914 |
| * | American Funds 2035 Target Date Fund R4 | 1,617,445 Shares | 25,086,576 |
| * | American Funds Fundamental Investors R4 | 344,785 Shares | 22,480,001 |
| * | American Funds 2040 Target Date Fund R4 | 1,367,821 Shares | 21,816,738 |
| * | American Funds 2045 Target Date Fund R4 | 1,212,228 Shares | 19,662,340 |
| * | American Funds Capital Inc Bldr R4 | 286,218 Shares | 17,276,104 |
| * | American Funds 2020 Target Date Fund R4 | 1,068,301 Shares | 13,663,573 |
| * | American Funds 2050 Target Date Fund R4 | 807,473 Shares | 12,846,895 |
| | Columbia Small Cap Index A | 453,646 Shares | 12,593,221 |
| * | American Funds Europacific Gr R4 | 207,767 Shares | 10,791,405 |
| * | American Funds New Perspective R4 | 200,185 Shares | 9,242,549 |
| | Columbia Mid Cap Index A | 503,406 Shares | 8,849,878 |
| * | American Funds 2055 Target Date Fund R4 | 359,412 Shares | 7,119,953 |
| | Columbia Large Cap Index A | 118,430 Shares | 6,283,887 |
| | Western Asset Core Bond A | 399,726 Shares | 4,884,658 |
| | Invesco Small Cap Value A | 221,407 Shares | 4,127,029 |
| * | American Funds 2015 Target Date Fund R4 | 245,073 Shares | 2,872,251 |
| * | American Funds Washington Mutual R4 | 48,435 Shares | 2,249,804 |
| * | American Funds New World Fund R4 | 32,410 Shares | 2,059,628 |
| * | American Funds 2060 Target Date Fund R4 | 136,323 Shares | 1,780,381 |
| | iShares U.S. Aggregate Bond Index A | 148,284 Shares | 1,447,253 |
| | Eaton Vance Income Fund Of Boston A | 194,813 Shares | 1,090,954 |
| | Pimco Real Return A | 97,161 Shares | 1,039,620 |
| | iShares MSCI EAFE International Index A | 70,162 Shares | 975,252 |
| | Invesco Global Real Estate A | 60,407 Shares | 794,959 |
| * | American Funds 2010 Target Date Fund R4 | 64,174 Shares | 705,918 |

| | | | |
|-----------------------------|--------|--------|---------------|
| Pimco Int Bond (Unhedged) A | 49,179 | Shares | 477,530 |
| | | | \$311,755,019 |

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Employer Securities:

| | | | |
|--|---------|--------|-----------|
| * Beacon Roofing Supply, Inc. Common Stock | 117,695 | Shares | 4,259,374 |
|--|---------|--------|-----------|

Common/Collective Trust:

| | | | |
|---|--------|-------|------------|
| RelianceMetLife GAC Series 25157 Cls 35 | 99,083 | Units | 18,703,954 |
|---|--------|-------|------------|

| | | | |
|---------------------|--|-----------|---------------|
| * Participant loans | Interest rates ranging from 3.25% to 9.25% | 8,988,727 | |
| | | | \$343,707,074 |

*Party-in-interest as defined by ERISA.

Note (d): Cost information has not been included because all investments are participant-directed.

SUPPLEMENTAL SCHEDULE

BEACON SALES ACQUISITION, INC. 401(k) PROFIT SHARING PLAN

PLAN: 001

EIN: 36-4173366

Schedule H, Line 4(a) -

Schedule of Delinquent Participant Contributions

Year Ended September 30, 2018

| | Totals That Constitute Non-Exempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|--|---|---|--|--|
| | Contributions Corrected Not Corrected | Contributions Outside VFCP ¹ | Contributions Pending Correction in VFCP | |
| Participant Contributions Transferred Late to the Plan | | | | |
| 2018 contributions | \$4,195 | \$ 46,904 | \$ - | \$ - |
| 2017 contributions | \$- | \$ 21,366 | \$ - | \$ - |

¹Voluntary Fiduciary Correction Program (DOL).

EXHIBIT INDEX

Exhibit No.

23.1 Consent of BDO USA, LLP

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

BEACON SALES ACQUISITION, INC.
401(k) PROFIT SHARING PLAN

Date: March 28, 2019 /s/ Joseph M. Nowicki
By: Joseph M. Nowicki
Executive Vice President & Chief Financial Officer