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 6047(e), 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

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
SUNWARD FINANCIAL CORPORATION AND AFFILIATED COMPANIES 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 10/01/2004

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
SUNWARD FINANCIAL CORPORATION

6800 E HAMPDEN AVE
DENVER, CO 80224

2b Employer Identification Number (EIN)
84-1216290

2c Plan Sponsor's telephone number
303-758-4141

2d Business code (see instructions)
332900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2016	EVA WIEST
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2016	EVA WIEST
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	164
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	125
a(2) Total number of active participants at the end of the plan year	**6a(2)**	113
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	39
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	152
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f Total. Add lines **6d** and **6e**.	**6f**	153
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	106
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SUNWARD FINANCIAL CORPORATION AND AFFILIATED COMPANIES 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SUNWARD FINANCIAL CORPORATION

D Employer Identification Number (EIN)
84-1216290

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

AMERICAN

95-1411037

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

FRANKLIN

94-3167260

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

INVESCO

58-2287224

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

METROPOLITAN WEST

95-4597302

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

NICHOLAS

39-1091673

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

OPPENHEIMER

13-2527171

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

PIMCO

95-2632339

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

VANGUARD

23-1945930

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

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

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

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

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)

WELLS FARGO BANK, N.A.

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 50 62 64	SERVICE PROVIDER	18569	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

WELLS FARGO ADVISORS, LLC

56-0898180

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 52	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	5834	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
WELLS FARGO ADVISORS WBS	27 52	5834

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
WELLS FARGO BANK, N.A. 94-1347393	25 BASIS POINTS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: CHRISTENSEN, TYNG, & HJELMSTAD, P.C
b EIN: 84-0846398
c Position: ACCOUNTANT
d Address: 9600 EAST ARAPAHOE ROAD
GREENWOOD VILLAGE, CO 80112
e Telephone: 303-790-1300

Explanation: ACCOUNTING FIRM NO LONGER PERFORMING AUDITS FOR EMPLOYEE BENEFIT PLANS

a Name:
b EIN:
c Position:
d Address:
e Telephone:

Explanation:

a Name:
b EIN:
c Position:
d Address:
e Telephone:

Explanation:

a Name:
b EIN:
c Position:
d Address:
e Telephone:

Explanation:

a Name:
b EIN:
c Position:
d Address:
e Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SUNWARD FINANCIAL CORPORATION AND AFFILIATED COMPANIES 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
SUNWARD FINANCIAL CORPORATION

D Employer Identification Number (EIN)
84-1216290

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: STABLE RETURN FUND N

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
41-6202499-001	C	40148

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SUNWARD FINANCIAL CORPORATION AND AFFILIATED COMPANIES 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SUNWARD FINANCIAL CORPORATION

D Employer Identification Number (EIN)
84-1216290

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	25102	56712
(9) Value of interest in common/collective trusts	1c(9)	36760	40148
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	2049088	1857132
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	2110950	1953992
	Liabilities			
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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2110950	1953992

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)	126623	
	(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)		126623
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	1299	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1299
	(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)	25950	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		25950
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		620
(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)		-35594
c Other income	2c		174
d Total income. Add all **income** amounts in column (b) and enter total	2d		119072
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	255096	
(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)		255096
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		-3168
h Interest expense	2h		
i 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)	24102	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		24102
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		276030
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-156958
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

(1) Name: BROCK AND COMPANY, CPAS, P.C. **(2)** EIN: 84-0930288

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X		

		Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e Was this plan covered by a fidelity bond?	4e	X			250000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n				
o Did the plan trust incur unrelated business taxable income?	4o				
p Were in-service distributions made during the plan year?	4p				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☐ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SUNWARD FINANCIAL CORPORATION AND AFFILIATED COMPANIES 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SUNWARD FINANCIAL CORPORATION

D Employer Identification Number (EIN)
84-1216290

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 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): 41-6257133

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No



Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Independent Auditor's Report and Financial Statements

December 31, 2015 and 2014

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Table of Contents

Independent Auditor's Report ..... Pages 1-2

Financial Statements:

Statements of Net Assets Available for Benefits
December 31, 2015 and 2014 ..... Page 3

Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2015 ..... Page 4

Notes to Financial Statements ..... Pages 5-13

Supplemental Schedule:

Schedule H, Line 4i: Schedule of Assets (Held at End of Year)
December 31, 2015 ..... Page 14

BROCK AND COMPANY
Certified Public Accountants
Business Advisors
A PROFESSIONAL CORPORATION

2516 West Main Street Littleton CO 80120
(303) 794-5661 (303) 794-4501 Fax
www.brockcpas.com
AGN Accountants Global Network

Independent Auditor's Report

To the Plan Administrator of the Sunward Financial Corporation and Affiliated Companies 401(k) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Sunward Financial Corporation and Affiliated Companies 401(k) Plan (the "Plan"), which comprise the Statement of Net Assets Available for Benefits as of December 31, 2015, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the 2015 financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the custodian as of and for the year ended December 31, 2015, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2015 financial statements. Accordingly, we do not express an opinion on the 2015 financial statements.

Other Matter- Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2015, is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Other Matter - 2014 Financial Statements

The financial statements of the Plan as of December 31, 2014, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 13, 2015, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance With DOL Rules and Regulations 2015

The form and content of the information included in the 2015 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Brock and Company CPAs P.C.

Certified Public Accountants

Littleton, Colorado
October 13, 2016

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	2015	2014
ASSETS		
Investments, at fair value (Notes 2 and 3):		
Mutual funds	**$ 1,857,132**	$ 2,049,089
Common collective trust	**40,148**	36,760
Total investments	**1,897,280**	2,085,849
Receivables:		
Participant contributions	**4,614**	-
Notes receivable from participants	**56,712**	25,102
Total receivables	**61,326**	25,102
Total assets	**1,958,606**	2,110,951
LIABILITIES		
Excess contributions payable	**2,726**	-
Net assets available for benefits	**$ 1,955,880**	$ 2,110,951

The accompanying Notes are an integral part of these financial statements.

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2015

Additions to (deductions from) net assets attributed to:	
Investment income (loss) (Note 2):	
Net depreciation in fair value of investments	**$ (34,974)**
Interest and dividends	**25,950**
Total investment loss	**(9,024)**
Interest income on notes receivable from participants	**1,299**
Other income	**174**
Participant contributions	**131,236**
Less: excess contributions	**(2,726)**
Net participant contributions	**128,510**
Payments:	
Distributions to participants	**(251,928)**
Administrative expenses	**(24,102)**
Total payments	**(276,030)**
Net decrease in net assets available for benefits	**(155,071)**
Net assets available for benefits, beginning of year	**2,110,951**
Net assets available for benefits, end of year	**$ 1,955,880**

The accompanying Notes are an integral part of these financial statements.

Note 1 – Description of the Plan

The following description of the Sunward Financial Corporation (the "Company" or "Plan Administrator") and Affiliated Companies 401(k) Plan (the "Plan") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General. The Plan is a defined contribution plan, which went into effect during 2004, that is generally available to employees of the Company and Participating Employers (collectively, the "Employer") age 18 or older who have completed 3 months of service. Employees may enter the Plan on the first day of the month coincident with or after meeting the Plan's eligibility requirements. The Plan excludes collectively bargained union employees and non-resident aliens. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Benefits under the Plan are not guaranteed by the Pension Benefit Guaranty Corporation.

Contributions. The following types of contributions are allowable under the Plan:

- Salary Deferral Contributions – Participants may contribute up to a maximum of 90% and a minimum of 1% of their pre-tax annual compensation, as defined in the Plan document, subject to limitations. Additionally, participants may contribute a percentage of their after-tax compensation and designate it as a Roth elective deferral contribution. The Plan has an automatic enrollment feature such that new participants will be automatically enrolled at a 2% pre-tax salary deferral contribution percentage rate. A participant's total salary deferral contributions cannot exceed $18,000 ($24,000 if 50 or older) in calendar year 2015.
- Discretionary Employer Matching Contributions – The Employer may make a discretionary matching contribution to eligible participants equal to a uniform percentage or dollar amount of a participant's elective deferrals. For the Plan year ended December 31, 2015, the Employer did not make a discretionary matching contribution.
- Discretionary Employer Nonelective Contributions – The Employer may make a discretionary nonelective contribution to eligible participants equal to a uniform percentage of a participant's compensation. For the Plan year ended December 31, 2015, the Employer did not make a discretionary nonelective contribution.
- Rollover Contributions – Certain amounts distributed to participants from other qualified employee benefit plans may be rolled into the Plan.

All contributions are allocated to the Plan's investment funds at the direction of the participants.

Participant Accounts. Each participant's account is credited with the participant's contributions (salary deferrals and rollovers, if any) and an allocation of (a) the Employer's contribution (discretionary matching and nonelective), if any, (b) fund earnings or losses, and (c) administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Note 1 – Description of the Plan (continued)

Vesting. Participants are immediately vested in their salary deferral contributions, rollover contributions, and related earnings thereon.

Vesting in the Employer's contribution portion of their accounts is based on years of service, as defined in the Plan document, as follows:

Years of Service	Vested %
Less than 1 year	0%
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Furthermore, participants become 100% vested in their Employer contribution portion of their accounts upon the following events:

- Participant's death
- Participant becomes disabled as defined under the Plan;
- Participant attains normal retirement age, as defined; or
- Termination or partial termination of the Plan.

Forfeitures. When certain terminations of Plan participation occur, the non-vested portion represents a forfeiture. Forfeitures are used to pay administrative expenses of the Plan or are used to reduce discretionary Employer contributions. During 2015, forfeitures of $16 were used to pay administrative expenses of the Plan. Unutilized forfeitures were $1,368 and $1,362 as of December 31, 2015 and 2014, respectively.

Investment Options. Participants may direct their investments into various mutual funds and a common collective trust.

Notes Receivable from Participants. Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of (i) $50,000 or (ii) 50% of their vested account balance. Loan terms range from 1 year up to a maximum of 5 years (a longer term is available if used for the purchase of a principal residence). The loans are secured by the balance in the participant's account and bear an interest rate equal to the Prime Rate plus 1% at the date the loan is granted as determined by the Plan Administrator. Principal and interest payments are paid ratably through payroll deductions.

Payment of Benefits. Benefits to participants or beneficiaries generally are payable as a lump sum or installments equal to the value of their vested account balance upon retirement, disability, death or termination of the participant. Additionally, participants may request in-service withdrawals of certain portions of their accounts for a qualified reservist distribution, upon attainment of age 59½, or during financial hardships, as defined in the Plan document, if certain criteria are met.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting. The financial statements of the Plan are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

Investment Valuation and Income Recognition. The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded when earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Excess Contributions Payable. Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service ("IRS") are recorded as a liability with a corresponding reduction to contributions. The Plan distributes excess contributions to the applicable participants subsequent to the Plan's year end.

Benefit Payments . Benefits are recorded when paid.

Administrative *Expenses.* Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Also included in administrative expenses are recordkeeping and other fees. Certain investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Reclassifications. Certain amounts in the 2014 financial statements have been reclassified in order to conform with the current year presentation.

Note 2 – Summary of Significant Accounting Policies (continued)

New Accounting Standard. In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Parts I and III are not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part II is to be applied retrospectively. Management has elected to adopt Part II early.

Prior Period Adjustments. In accordance with ASC 820, during 2015 Plan management made the following adjustments to the fair value measurements table as of December 31, 2014, as shown in Note 3.

As Previously Reported			As Adjusted		
Description	Amount	Fair Value Level Within the Fair Value Hierarchy of ASC 820	Description	Amount	Fair Value Level Within the Fair Value Hierarchy of ASC 820
Mutual Funds	$ 36,760	1	Common Collective Trust	$ 36,760	2

Additionally, Plan management removed participant notes receivable of $25,102 as of December 31, 2014, from the fair value table in accordance with ASC 820. All of these adjustments had no effect on net assets available for benefits as of December 31, 2015 and 2014, or the net decrease in net assets available for benefits for the year ended December 31, 2015.

Note 3 – Fair Value Measurements

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

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

Note 3 – Fair Value Measurements (continued)

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

There have been no changes in the methodologies used at December 31, 2015 and 2014. The following is a description of the valuation methodologies used for assets measured at fair value:

- Mutual funds are valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.
- The common collective trust ("CCT") is valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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 methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 3 – Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Fair Value Measurements at December 31, 2015			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Mutual funds	**$ 1,857,132**	**$ -**	**$ -**	**$ 1,857,132**
Common collective trust	**-**	**40,148**	**-**	**40,148**
Total Assets at Fair Value	**$ 1,857,132**	**$ 40,148**	**$ -**	**$ 1,897,280**

	Fair Value Measurements at December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Mutual funds	$ 2,049,089	$ -	$ -	$ 2,049,089
Common collective trust	-	36,760	-	36,760
Total Assets at Fair Value	$ 2,049,089	$ 36,760	$ -	$ 2,085,849

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Company evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2015, there were no significant transfers in or out of levels 1, 2 or 3.

Note 3 – Fair Value Measurements (continued)

Investments in Certain Entities that Calculate NAV per Unit. The Plan's investment in the Wells Fargo Stable Return Fund N, a common collective trust, is valued at fair value based on the NAV of units held by the Plan at year end. The use of NAV for the common collective trust is deemed appropriate as the collective trust funds do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions. The investment has a stable value fund strategy that seeks to protect principal while providing a higher rate of return than shorter maturity investments, such as money market funds or certificates of deposits, by investing in investment contracts and security-backed contracts. The fair value of the investment as of December 31, 2015 and 2014, was $40,148 and $36,760, respectively.

Note 4 – Certified Information

The Plan administrator has elected the method of annual reporting and compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee of the Plan has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2015;
- Notes receivable from participants, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2015 ;
- Investment amounts within the fair value table as of December 31, 2015, as shown in Note 3;
- Investment income (loss), as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2015;
- Interest income on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2015; and
- The investment information presented in the Schedule of Assets (Held at End of Year) as of December 31, 2015, as shown in the supplemental schedule.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements and supplemental schedule.

Note 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 or partial termination, affected participants will become 100% vested in their accounts.

Note 6 – Tax Status

The Company has adopted a Wells Fargo Bank, N.A. Prototype Non Standardized Profit Sharing Plan ("prototype plan"). The prototype plan received a favorable opinion letter from the IRS on March 31, 2008, which stated that the prototype plan is qualified under the applicable sections of the Internal Revenue Code ("IRC"). Although the Plan and prototype plan have been amended since receiving the IRS opinion letter, the Plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes that the Plan is qualified under Section 401(a) of the IRC and the related trust is tax exempt as of December 31, 2015 and 2014. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

Note 7 –Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2015 and 2014:

	2015	2014
Net assets available for benefits per the financial statements	**$ 1,955,880**	$ 2,110,951
Add: excess contributions payable	**2,726**	-
Less: participant contributions receivable	**(4,614)**	-
Rounding	**-**	(1)
Net assets available for benefits per the Form 5500 (unaudited)	**$ 1,953,992**	$ 2,110,950

The following is a reconciliation of participant contributions and excess contributions / corrective distributions per the financial statements to the Form 5500 for the year ended December 31, 2015:

	Participant Contributions	Excess Contributions/ Corrective Distributions
Amount per the financial statements	**$ 131,236**	**$ 2,726**
Less: 2015 participant contributions receivable	**(4,614)**	**-**
Less: 2015 excess contributions payable	**-**	**(2,726)**
Rounding	**1**	**-**
Amount per the Form 5500 (unaudited)	**$ 126,623**	**$ -**

Note 8 – Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds and a common collective trust offered by Wells Fargo Bank, N.A.. As Wells Fargo Bank, N.A. is the trustee of the Plan, these transactions qualify as party-in-interest transactions. Additionally, the Plan maintains notes receivable from participants. Fees paid for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Note 9 – Risks and Uncertainties

The Plan provides for various investment options in mutual funds and a common collective trust. Investment securities, in general, are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts presented in the statements of net assets available for benefits.

Note 10 – Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 13, 2016, which is the date the financial statements were available to be issued.

Effective January 1, 2016, the Plan document was amended and restated.

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

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

EIN: 84-1216290 PN: 001

December 31, 2015

	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Units/ Shares	Current Value
	Wells Fargo Bank, N.A.	**Mutual Funds:**		
		American Funds Europac Grth R6	2,641	**$ 119,711**
		Franklin Small Cap Grw II	3,692	**67,090**
		Invesco Diversified DVD R6	1,222	**21,485**
		Nicholas Equity Incm Fund I	172	**3,134**
		Oppenheimer Global Fd Y	301	**22,618**
		Vanguard Mid Cap Index Adm	213	**31,736**
		Vanguard REIT Index Fund Adm	404	**45,610**
		Vanguard Small Cap Index Fd Adm	509	**27,014**
		Vanguard 500 Index Fd Adm	1,350	**254,392**
		Met West Total Return Bond Cl I	21,003	**223,054**
		PIMCO Real Return Fund Inst	1,251	**13,152**
		American Balanced Fund R6	14,383	**342,883**
		Vanguard Tg Retirement 2015	4,065	**57,842**
		Vanguard Tg Retirement 2020	53	**1,451**
		Vanguard Tg Retirement 2025	641	**10,005**
		Vanguard Tg Retirement 2035	55	**926**
		Vanguard Tg Retirement 2040	17	**484**
		Vanguard Tg Retirement 2045	65	**1,149**
		Vanguard Tg Retirement 2050	3	**76**
		Vanguard Tg Retirement 2055	71	**2,192**
*		Wells Fargo Disc Ins	3,453	**103,427**
*		Wells Fargo Pr L/C Gr Ins	5,163	**77,185**
*		Wells Fargo Absolute Return Fund Ins	42,374	**430,516**
		Total Mutual Funds		**1,857,132**
		Common Collective Trust:		
*		WF Stable Return Fund N	766	**40,148**
*		**Loans to Participants** (interest rates of 4.25%-5.25%, various maturity dates)		**56,712**
		Total Assets (Held at End of Year)		**$ 1,953,992**

* Represents a party-in-interest



Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Independent Auditor's Report and Financial Statements

December 31, 2015 and 2014

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Table of Contents

Independent Auditor's Report ..... Pages 1-2

Financial Statements:

Statements of Net Assets Available for Benefits
December 31, 2015 and 2014 ..... Page 3

Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2015 ..... Page 4

Notes to Financial Statements ..... Pages 5-13

Supplemental Schedule:

Schedule H, Line 4i: Schedule of Assets (Held at End of Year)
December 31, 2015 ..... Page 14

BROCK AND COMPANY
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A PROFESSIONAL CORPORATION

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Independent Auditor's Report

To the Plan Administrator of the Sunward Financial Corporation and Affiliated Companies 401(k) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Sunward Financial Corporation and Affiliated Companies 401(k) Plan (the "Plan"), which comprise the Statement of Net Assets Available for Benefits as of December 31, 2015, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the 2015 financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the custodian as of and for the year ended December 31, 2015, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2015 financial statements. Accordingly, we do not express an opinion on the 2015 financial statements.

Other Matter- Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2015, is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Other Matter - 2014 Financial Statements

The financial statements of the Plan as of December 31, 2014, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 13, 2015, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance With DOL Rules and Regulations 2015

The form and content of the information included in the 2015 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Brock and Company CPAs P.C.

Certified Public Accountants

Littleton, Colorado
October 13, 2016

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Statements of Net Assets Available for Benefits

December 31,	2015	2014
ASSETS		
Investments, at fair value (Notes 2 and 3):		
Mutual funds	**$ 1,857,132**	$ 2,049,089
Common collective trust	**40,148**	36,760
Total investments	**1,897,280**	2,085,849
Receivables:		
Participant contributions	**4,614**	-
Notes receivable from participants	**56,712**	25,102
Total receivables	**61,326**	25,102
Total assets	**1,958,606**	2,110,951
LIABILITIES		
Excess contributions payable	**2,726**	-
Net assets available for benefits	**$ 1,955,880**	$ 2,110,951

The accompanying Notes are an integral part of these financial statements.

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2015

Additions to (deductions from) net assets attributed to:	
Investment income (loss) (Note 2):	
Net depreciation in fair value of investments	**$ (34,974)**
Interest and dividends	**25,950**
Total investment loss	**(9,024)**
Interest income on notes receivable from participants	**1,299**
Other income	**174**
Participant contributions	**131,236**
Less: excess contributions	**(2,726)**
Net participant contributions	**128,510**
Payments:	
Distributions to participants	**(251,928)**
Administrative expenses	**(24,102)**
Total payments	**(276,030)**
Net decrease in net assets available for benefits	**(155,071)**
Net assets available for benefits, beginning of year	**2,110,951**
Net assets available for benefits, end of year	**$ 1,955,880**

The accompanying Notes are an integral part of these financial statements.

Note 1 – Description of the Plan

The following description of the Sunward Financial Corporation (the "Company" or "Plan Administrator") and Affiliated Companies 401(k) Plan (the "Plan") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General. The Plan is a defined contribution plan, which went into effect during 2004, that is generally available to employees of the Company and Participating Employers (collectively, the "Employer") age 18 or older who have completed 3 months of service. Employees may enter the Plan on the first day of the month coincident with or after meeting the Plan's eligibility requirements. The Plan excludes collectively bargained union employees and non-resident aliens. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Benefits under the Plan are not guaranteed by the Pension Benefit Guaranty Corporation.

Contributions. The following types of contributions are allowable under the Plan:

- Salary Deferral Contributions – Participants may contribute up to a maximum of 90% and a minimum of 1% of their pre-tax annual compensation, as defined in the Plan document, subject to limitations. Additionally, participants may contribute a percentage of their after-tax compensation and designate it as a Roth elective deferral contribution. The Plan has an automatic enrollment feature such that new participants will be automatically enrolled at a 2% pre-tax salary deferral contribution percentage rate. A participant's total salary deferral contributions cannot exceed $18,000 ($24,000 if 50 or older) in calendar year 2015.
- Discretionary Employer Matching Contributions – The Employer may make a discretionary matching contribution to eligible participants equal to a uniform percentage or dollar amount of a participant's elective deferrals. For the Plan year ended December 31, 2015, the Employer did not make a discretionary matching contribution.
- Discretionary Employer Nonelective Contributions – The Employer may make a discretionary nonelective contribution to eligible participants equal to a uniform percentage of a participant's compensation. For the Plan year ended December 31, 2015, the Employer did not make a discretionary nonelective contribution.
- Rollover Contributions – Certain amounts distributed to participants from other qualified employee benefit plans may be rolled into the Plan.

All contributions are allocated to the Plan's investment funds at the direction of the participants.

Participant Accounts. Each participant's account is credited with the participant's contributions (salary deferrals and rollovers, if any) and an allocation of (a) the Employer's contribution (discretionary matching and nonelective), if any, (b) fund earnings or losses, and (c) administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Note 1 – Description of the Plan (continued)

Vesting. Participants are immediately vested in their salary deferral contributions, rollover contributions, and related earnings thereon.

Vesting in the Employer's contribution portion of their accounts is based on years of service, as defined in the Plan document, as follows:

Years of Service	Vested %
Less than 1 year	0%
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Furthermore, participants become 100% vested in their Employer contribution portion of their accounts upon the following events:

- Participant's death
- Participant becomes disabled as defined under the Plan;
- Participant attains normal retirement age, as defined; or
- Termination or partial termination of the Plan.

Forfeitures. When certain terminations of Plan participation occur, the non-vested portion represents a forfeiture. Forfeitures are used to pay administrative expenses of the Plan or are used to reduce discretionary Employer contributions. During 2015, forfeitures of $16 were used to pay administrative expenses of the Plan. Unutilized forfeitures were $1,368 and $1,362 as of December 31, 2015 and 2014, respectively.

Investment Options. Participants may direct their investments into various mutual funds and a common collective trust.

Notes Receivable from Participants. Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of (i) $50,000 or (ii) 50% of their vested account balance. Loan terms range from 1 year up to a maximum of 5 years (a longer term is available if used for the purchase of a principal residence). The loans are secured by the balance in the participant's account and bear an interest rate equal to the Prime Rate plus 1% at the date the loan is granted as determined by the Plan Administrator. Principal and interest payments are paid ratably through payroll deductions.

Payment of Benefits. Benefits to participants or beneficiaries generally are payable as a lump sum or installments equal to the value of their vested account balance upon retirement, disability, death or termination of the participant. Additionally, participants may request in-service withdrawals of certain portions of their accounts for a qualified reservist distribution, upon attainment of age 59½, or during financial hardships, as defined in the Plan document, if certain criteria are met.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting. The financial statements of the Plan are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to use estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

Investment Valuation and Income Recognition. The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the investment advisors and trustee. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded when earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Excess Contributions Payable. Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service ("IRS") are recorded as a liability with a corresponding reduction to contributions. The Plan distributes excess contributions to the applicable participants subsequent to the Plan's year end.

Benefit Payments . Benefits are recorded when paid.

Administrative *Expenses.* Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Also included in administrative expenses are recordkeeping and other fees. Certain investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Reclassifications. Certain amounts in the 2014 financial statements have been reclassified in order to conform with the current year presentation.

Note 2 – Summary of Significant Accounting Policies (continued)

New Accounting Standard. In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Parts I and III are not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part II is to be applied retrospectively. Management has elected to adopt Part II early.

Prior Period Adjustments. In accordance with ASC 820, during 2015 Plan management made the following adjustments to the fair value measurements table as of December 31, 2014, as shown in Note 3.

As Previously Reported			As Adjusted		
Description	Amount	Fair Value Level Within the Fair Value Hierarchy of ASC 820	Description	Amount	Fair Value Level Within the Fair Value Hierarchy of ASC 820
Mutual Funds	$ 36,760	1	Common Collective Trust	$ 36,760	2

Additionally, Plan management removed participant notes receivable of $25,102 as of December 31, 2014, from the fair value table in accordance with ASC 820. All of these adjustments had no effect on net assets available for benefits as of December 31, 2015 and 2014, or the net decrease in net assets available for benefits for the year ended December 31, 2015.

Note 3 – Fair Value Measurements

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

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

Note 3 – Fair Value Measurements (continued)

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

There have been no changes in the methodologies used at December 31, 2015 and 2014. The following is a description of the valuation methodologies used for assets measured at fair value:

- Mutual funds are valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.
- The common collective trust ("CCT") is valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily.

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 methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 3 – Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014:

	Fair Value Measurements at December 31, 2015			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Mutual funds	**$ 1,857,132**	**$ -**	**$ -**	**$ 1,857,132**
Common collective trust	**-**	**40,148**	**-**	**40,148**
Total Assets at Fair Value	**$ 1,857,132**	**$ 40,148**	**$ -**	**$ 1,897,280**

	Fair Value Measurements at December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Mutual funds	$ 2,049,089	$ -	$ -	$ 2,049,089
Common collective trust	-	36,760	-	36,760
Total Assets at Fair Value	$ 2,049,089	$ 36,760	$ -	$ 2,085,849

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Company evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2015, there were no significant transfers in or out of levels 1, 2 or 3.

Note 3 – Fair Value Measurements (continued)

Investments in Certain Entities that Calculate NAV per Unit. The Plan's investment in the Wells Fargo Stable Return Fund N, a common collective trust, is valued at fair value based on the NAV of units held by the Plan at year end. The use of NAV for the common collective trust is deemed appropriate as the collective trust funds do not have finite lives, unfunded commitments relating to these types of investments, or significant restrictions on redemptions. The investment has a stable value fund strategy that seeks to protect principal while providing a higher rate of return than shorter maturity investments, such as money market funds or certificates of deposits, by investing in investment contracts and security-backed contracts. The fair value of the investment as of December 31, 2015 and 2014, was $40,148 and $36,760, respectively.

Note 4 – Certified Information

The Plan administrator has elected the method of annual reporting and compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee of the Plan has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2015;
- Notes receivable from participants, as shown in the Statement of Net Assets Available for Benefits as of December 31, 2015 ;
- Investment amounts within the fair value table as of December 31, 2015, as shown in Note 3;
- Investment income (loss), as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2015;
- Interest income on notes receivable from participants, as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2015; and
- The investment information presented in the Schedule of Assets (Held at End of Year) as of December 31, 2015, as shown in the supplemental schedule.

The Plan's independent auditors did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements and supplemental schedule.

Note 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 or partial termination, affected participants will become 100% vested in their accounts.

Note 6 – Tax Status

The Company has adopted a Wells Fargo Bank, N.A. Prototype Non Standardized Profit Sharing Plan ("prototype plan"). The prototype plan received a favorable opinion letter from the IRS on March 31, 2008, which stated that the prototype plan is qualified under the applicable sections of the Internal Revenue Code ("IRC"). Although the Plan and prototype plan have been amended since receiving the IRS opinion letter, the Plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, the Plan administrator believes that the Plan is qualified under Section 401(a) of the IRC and the related trust is tax exempt as of December 31, 2015 and 2014. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

Note 7 –Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2015 and 2014:

	2015	2014
Net assets available for benefits per the financial statements	**$ 1,955,880**	$ 2,110,951
Add: excess contributions payable	**2,726**	-
Less: participant contributions receivable	**(4,614)**	-
Rounding	**-**	(1)
Net assets available for benefits per the Form 5500 (unaudited)	**$ 1,953,992**	$ 2,110,950

The following is a reconciliation of participant contributions and excess contributions / corrective distributions per the financial statements to the Form 5500 for the year ended December 31, 2015:

	Participant Contributions	Excess Contributions/ Corrective Distributions
Amount per the financial statements	**$ 131,236**	**$ 2,726**
Less: 2015 participant contributions receivable	**(4,614)**	**-**
Less: 2015 excess contributions payable	**-**	**(2,726)**
Rounding	**1**	**-**
Amount per the Form 5500 (unaudited)	**$ 126,623**	**$ -**

Note 8 – Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds and a common collective trust offered by Wells Fargo Bank, N.A.. As Wells Fargo Bank, N.A. is the trustee of the Plan, these transactions qualify as party-in-interest transactions. Additionally, the Plan maintains notes receivable from participants. Fees paid for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Note 9 – Risks and Uncertainties

The Plan provides for various investment options in mutual funds and a common collective trust. Investment securities, in general, are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts presented in the statements of net assets available for benefits.

Note 10 – Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 13, 2016, which is the date the financial statements were available to be issued.

Effective January 1, 2016, the Plan document was amended and restated.

Sunward Financial Corporation and Affiliated Companies 401(k) Plan

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

EIN: 84-1216290 PN: 001

December 31, 2015

	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Units/ Shares	Current Value
	Wells Fargo Bank, N.A.	**Mutual Funds:**		
		American Funds Europac Grth R6	2,641	**$ 119,711**
		Franklin Small Cap Grw II	3,692	**67,090**
		Invesco Diversified DVD R6	1,222	**21,485**
		Nicholas Equity Incm Fund I	172	**3,134**
		Oppenheimer Global Fd Y	301	**22,618**
		Vanguard Mid Cap Index Adm	213	**31,736**
		Vanguard REIT Index Fund Adm	404	**45,610**
		Vanguard Small Cap Index Fd Adm	509	**27,014**
		Vanguard 500 Index Fd Adm	1,350	**254,392**
		Met West Total Return Bond Cl I	21,003	**223,054**
		PIMCO Real Return Fund Inst	1,251	**13,152**
		American Balanced Fund R6	14,383	**342,883**
		Vanguard Tg Retirement 2015	4,065	**57,842**
		Vanguard Tg Retirement 2020	53	**1,451**
		Vanguard Tg Retirement 2025	641	**10,005**
		Vanguard Tg Retirement 2035	55	**926**
		Vanguard Tg Retirement 2040	17	**484**
		Vanguard Tg Retirement 2045	65	**1,149**
		Vanguard Tg Retirement 2050	3	**76**
		Vanguard Tg Retirement 2055	71	**2,192**
*		Wells Fargo Disc Ins	3,453	**103,427**
*		Wells Fargo Pr L/C Gr Ins	5,163	**77,185**
*		Wells Fargo Absolute Return Fund Ins	42,374	**430,516**
		Total Mutual Funds		**1,857,132**
		Common Collective Trust:		
*		WF Stable Return Fund N	766	**40,148**
*		**Loans to Participants** (interest rates of 4.25%-5.25%, various maturity dates)		**56,712**
		Total Assets (Held at End of Year)		**$ 1,953,992**

* Represents a party-in-interest

Otto Industries North America, Inc.
401(k) Retirement Plan

Report on Financial Statements

For the year ended December 31, 2015

Otto Industries North America, Inc. 401(k) Retirement Plan

Contents

Page

Independent Auditor's Report 1-2

Financial Statements

Statements of Net Assets Available for Benefits 3

Statement of Changes in Net Assets Available for Benefits 4

Notes to Financial Statements 5-12

Supplemental Schedule

1 – Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 13

elliott davis decosimo

Independent Auditor's Report

Plan Committee
Otto Industries North America, Inc. 401(k) Retirement Plan
Charlotte, North Carolina

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Otto Industries North America, Inc. 401(k) Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's assets and executes transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Report on Supplemental Schedule

The supplemental schedule, 1 – Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2015, is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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



Charlotte, North Carolina
October 14, 2016

Otto Industries North America, Inc. 401(k) Retirement Plan

Statements of Net Assets Available for Benefits

December 31, 2015 and 2014

	2015	2014
Assets		
Investments at fair value	$ 9,631,977	$ 8,648,754
Notes receivable from participants	568,001	583,291
Total assets	10,199,978	9,232,045
Liabilities	-	-
Net assets available for benefits	$ 10,199,978	$ 9,232,045

See Notes to Financial Statements

Otto Industries North America, Inc. 401(k) Retirement Plan

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2015

Additions:	
Interest and dividends	$ 107,200
Interest income on notes receivable from participants	22,018
Contributions	
Participants	989,746
Employer	555,980
Rollovers	386,039
	1,931,765
Total additions	2,060,983
Deductions:	
Net depreciation in fair value of investments	6,776
Benefits paid to participants	992,974
Administrative expenses	93,300
Total deductions	1,093,050
Net increase	967,933
Net assets available for benefits, beginning of year	9,232,045
Net assets available for benefits, end of year	$ 10,199,978

See Notes to Financial Statements

Note 1. Description of the Plan

The following description of the Otto Industries North America, Inc. (the "Company") 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all employees of the Company who have completed at least 60 calendar days of service and are age 18 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions:

Each year, participants may contribute up to 100 percent of pretax annual compensation, as defined in the Plan. Participants who have attained the age of 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 3 percent of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. The Company contributes 100 percent of the first 2 percent and 50 percent of the next 4 percent of base compensation that a participant contributes to the Plan. Additional profit sharing amounts may be contributed at the option of the Company's board of directors. During the year ended December 31, 2015, the Company made $555,980 in contributions to the Plan**.** There was no discretionary profit sharing contribution for the year ended December 31, 2015. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant accounts:

Each participant's account is credited with the participant's contributions and Company contributions, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's safe harbor matching contribution portion and profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested in the Company's safe harbor match after two years of credited service. A participant is 100 percent vested in the Company's profit sharing portion after five years of credited service.

Note 1. Description of the Plan, Continued

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 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25 percent to 7.00 percent, which are commensurate with local prevailing rates as determined by the plan administrator. Principal and interest is paid ratably through payroll deductions.

Payment of benefits:

On termination of service, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or other installment options as provided by the Plan. Hardship distributions are permitted upon demonstration of financial hardship. All fully vested balances are available for distribution after the participant reaches the age of 65.

Forfeited accounts:

At December 31, 2015 and 2014, forfeited nonvested accounts totaled $57,872 and $20,940, respectively. These accounts will be used to reduce plan administrative expenses and future employer contributions. Also in 2015, forfeitures were used to pay $60,059 of administrative expenses of the Plan. No forfeitures were used to reduce employer contributions.

Note 2. Summary of Significant Accounting Policies and Activities

Basis of accounting:

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

Use of estimates:

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

Investment valuation and income recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Committee determines the Plan's valuation policies utilizing information provided by the investment advisors. See Note 4 for discussion of fair value measurements.

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

Note 2. Summary of Significant Accounting Policies and Activities, Continued

Notes receivable from participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of benefits:

Benefits are recorded when paid.

Expenses:

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and other distributions to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation in fair value of investments.

Subsequent events:

The Plan has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued.

Recently issued accounting pronouncements:

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this ASU remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statements of net assets available for benefits. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this ASU will be effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. The Plan adopted this ASU for the 2015 plan year, and it was retrospectively applied to December 31, 2014. Prior year disclosures in Note 4 have been revised to reflect the retrospective application of this ASU. The impact of adopting this ASU is reflected in the financial statements.

Note 2. Summary of Significant Accounting Policies and Activities, Continued

Recently issued accounting pronouncements, continued:

In July 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force)*. The purpose of this ASU is to simplify plan accounting.

- The amendments in Part I of this ASU designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit-responsive investment contracts will be presented at contract value, accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements.

- The amendments in Part II of this ASU will eliminate the requirements for plans to disclose (1) individual investments that represent five percent or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type for both participant directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, Annual Return/Report of Employee Benefit Plan, as a direct filing entity, disclosure of that investment's strategy will no longer be required.

- The amendments in Part III of this ASU reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

This ASU may be adopted in whole or by part (I, II, and III), as applicable. The amendments in this ASU are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. Upon adoption, the amendments in Parts I and II shall be applied retrospectively to all periods presented; the amendments in Part III shall be applied prospectively. The Plan adopted this ASU for the 2015 plan year, and the amendments in Part I and II were retrospectively applied to December 31, 2014. Prior year disclosures in Note 4 have been revised to reflect the retrospective application. The impact of adopting these amendments is reflected in the financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. With certain exceptions, early adoption is not permitted. Plan management is currently evaluating the impact that ASU 2016-01 will have on its financial statements.

Note 2. Summary of Significant Accounting Policies and Activities, Continued

Recently issued accounting pronouncements, continued:

Accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Plan's net assets or changes in net assets.

Note 3. Trustee Certifications

The following is a summary of the Plan's asset information as of December 31, 2015 and 2014, and for the year ended December 31, 2015, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the trustee and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the following assets is complete and accurate. Accordingly as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets and related income:

	2015	2014
Investments at fair value:		
Mutual funds	$ 8,885,875	$ 7,862,537
Common collective trust	746,102	786,217
Notes receivable from participants	568,001	583,291
	$ 10,199,978	$ 9,232,045

The trustee also certified to the completeness and accuracy of $6,776 net depreciation in the fair value of investments, $107,200 of interest and dividends, and $22,018 of interest income on notes receivable from participants for the year ended December 31, 2015.

Note 4. Fair Value Measurements

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

Note 4. Fair Value Measurements, Continued

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.
- 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 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 relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common collective trust: Valued at NAV. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, within the fair value hierarchy, the Plan's fair value measurements as of December 31, 2015 and 2014:

	December 31	
	2015	**2014**
Mutual funds – Level 1	$ 8,885,875	$ 7,862,537
Total assets in the fair value hierarchy	$ 8,885,875	$ 7,862,537
Investments measured at NAV (a)	746,102	786,217
Investments at fair value	$ 9,631,977	$ 8,648,754

Note 4. Fair Value Measurements, Continued

(a) Certain investments that were measured at NAV per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The following table for December 31, 2015 and 2014 sets forth a summary of the Plan's investments reported at NAV as a practical expedient to estimate fair value:

	December 31, 2015			
Investment	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust	$ 746,102	$ -	Daily	(b)

	December 31, 2014			
Investment	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust	$ 786,217	$ -	Daily	(b)

(b) Withdrawals initiated by the Plan participants are honored at any time without penalty. If the plan sponsor were to initiate the withdrawals from the fund, a 12-month written notice of intent to withdraw assets from the fund would be required.

Note 5. Related-Party and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. is the trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the third party administrator totaling $93,300 which were not covered by revenue sharing. The Company pays directly any other fees related to the Plan’s operations.

Note 6. Plan Termination

The independent auditor’s report for the Company as of and for the year ended December 31, 2014, dated April 24, 2015, contained an emphasis-of-matter paragraph with regard to the Company’s ability to continue as a going concern. The independent auditor’s report for the Company as of and for the year ended December 31, 2015, has not been issued as of October 14, 2016, the date these financial statements were available to be issued.

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

Note 7. Tax Status

The Company has adopted the Plan based on a prototype plan document sponsored by Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. has received an opinion letter from the IRS dated March 31, 2014 that states that the form of the prototype plan is acceptable under Section 401 of the Internal Revenue Code (IRC). The plan administrator has not requested a determination letter from the IRS on the Plan. The Plan has been amended since the date of the IRS opinion letter on the prototype plan. While the Plan cannot rely on the IRS opinion letter, the Company and the plan administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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

Note 8. Risks and Uncertainties

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

Otto Industries North America, Inc. 401(k) Retirement Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) EIN 56-1472891, Plan No. 001
December 31, 2015

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Investments:				
	Janus	Janus Balanced Fund Class T	**	$ 1,752,664
	Metropolitan West	Metropolitan West Total Return Bond	**	1,562,872
	John Hancock	John Hancock Disciplined Value Mid Cap I	**	1,208,688
	American Funds	American Funds EuroPacific Growth Fund A	**	997,811
	Vanguard	Vanguard 500 Index Fund	**	950,927
	Harbor	Harbor Capital Appreciation Inv	**	876,757
*	Wells Fargo Bank, N.A.	Stable Return Fund N	**	746,102
	MFS	MFS Value Fund R3	**	590,396
	Prudential	Prudential Jennison Mid-Cap Growth Fund Z	**	406,425
	Eagle Funds	Eagle Small Cap Growth Fund A	**	294,148
	Delaware	Delaware Small Cap Value - I	**	245,187
Notes receivable:				
*	Notes receivable from participants	4.25% - 7.00%		568,001
				$ 10,199,978

* Indicates a party-in-interest to the Plan
** Cost information omitted due to participant-directed funds

The information in this schedule was derived from information certified as complete and accurate by Wells Fargo Bank, N.A., the trustee of the Plan.