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| 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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p> | OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2015</div> This Form is Open to Public Inspection |
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| | |
|--|---|
| Part I | Annual Report Identification Information |
| For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u> | |
| A This return/report is for: | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) _____ |
| B This return/report is: | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input checked="" type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. | <input type="checkbox"/> |
| D Check box if filing under: | <input type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description) |

| | | |
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| Part II | Basic Plan Information —enter all requested information | |
| 1a Name of plan | <u>HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u> | |
| | 1b Three-digit plan number (PN) ▶ | <u>002</u> |
| | 1c Effective date of plan | <u>01/01/2005</u> |
| 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) | 2b Employer Identification Number (EIN) <u>82-0474664</u> | |
| <u>HEALTHCARE RESOURCE GROUP, INC.</u> | 2c Plan Sponsor's telephone number <u>509-209-2071</u> | |
| <u>12610 EAST MIRABEAU PARKWAY</u> <u>SUITE 800</u> <u>SPOKANE VALLEY, WA 99216</u> | 2d Business code (see instructions) <u>561110</u> | |
| <u>12610 EAST MIRABEAU PARKWAY</u> <u>SUITE 800</u> <u>SPOKANE VALLEY, WA 99216</u> | | |

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

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

| | | | |
|---|---|------------|--|
| SIGN HERE | Filed with authorized/valid electronic signature. | 12/21/2016 | KRIS ENGLISH |
| | Signature of plan administrator | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | Filed with authorized/valid electronic signature. | 12/21/2016 | KRIS ENGLISH |
| | 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 |
| | | | |

| | |
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| 3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor | 3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div> |
| 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: a Sponsor's name | 4b EIN 4c PN |
| 5 Total number of participants at the beginning of the plan year | 5 528 |
| 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) 385 |
| a(2) Total number of active participants at the end of the plan year | 6a(2) 310 |
| b Retired or separated participants receiving benefits..... | 6b 9 |
| c Other retired or separated participants entitled to future benefits..... | 6c 146 |
| d Subtotal. Add lines 6a(2) , 6b , and 6c | 6d 465 |
| e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... | 6e 4 |
| f Total. Add lines 6d and 6e | 6f 469 |
| g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... | 6g 466 |
| h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | 6h 36 |
| 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: 2I 2P 3I | |
| 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) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor | 9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor |
| 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules) |

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| Part III | Form M-1 Compliance Information (to be completed by welfare benefit plans) |
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

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

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 _____

| | | |
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| SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation | Service Provider 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 HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST | B Three-digit plan number (PN) ▶ 002 |
| C Plan sponsor's name as shown on line 2a of Form 5500 HEALTHCARE RESOURCE GROUP, INC. | D Employer Identification Number (EIN) 82-0474664 |

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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

| (b) 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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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

| (b) 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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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

| (b) 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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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

| (b) 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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Part I Service Provider Information (continued)

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

| (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. | |
| | | |
| (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 |
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Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

| | | |
|--|--|--|
| SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small> | 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. | <small>OMB No. 1210-0110</small> 2015 This Form is Open to Public Inspection |
| For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u> | | |
| A Name of plan <u>HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u> | | B Three-digit plan number (PN) <u>002</u> |
| C Plan sponsor's name as shown on line 2a of Form 5500 <u>HEALTHCARE RESOURCE GROUP, INC.</u> | | D Employer Identification Number (EIN) <u>82-0474664</u> |

| Part I | Asset and Liability Statement | | (a) Beginning of Year | (b) End of Year |
|---|--|-----------------|-----------------------|-----------------|
| 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 | Total noninterest-bearing cash | 1a | 225000 | 0 |
| b | Receivables (less allowance for doubtful accounts): | | | |
| | (1) Employer contributions | 1b(1) | 350000 | 799994 |
| | (2) Participant contributions | 1b(2) | 0 | 0 |
| | (3) Other..... | 1b(3) | 0 | 0 |
| c | General investments: | | | |
| | (1) Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| | (2) U.S. Government securities..... | 1c(2) | | |
| | (3) Corporate debt instruments (other than employer securities): | | | |
| | (A) Preferred | 1c(3)(A) | | |
| | (B) All other..... | 1c(3)(B) | | |
| | (4) Corporate stocks (other than employer securities): | | | |
| | (A) Preferred | 1c(4)(A) | | |
| | (B) Common | 1c(4)(B) | | |
| | (5) Partnership/joint venture interests | 1c(5) | | |
| | (6) Real estate (other than employer real property) | 1c(6) | | |
| | (7) Loans (other than to participants) | 1c(7) | | |
| | (8) Participant loans | 1c(8) | | |
| | (9) Value of interest in common/collective trusts..... | 1c(9) | | |
| | (10) Value of interest in pooled separate accounts..... | 1c(10) | | |
| | (11) Value of interest in master trust investment accounts | 1c(11) | | |
| | (12) Value of interest in 103-12 investment entities | 1c(12) | | |
| | (13) Value of interest in registered investment companies (e.g., mutual funds)..... | 1c(13) | | |
| | (14) Value of funds held in insurance company general account (unallocated contracts)..... | 1c(14) | | |
| | (15) Other | 1c(15) | 0 | 328929 |

1d Employer-related investments:

| | | (a) Beginning of Year | (b) End of Year |
|--|--------------|-----------------------|-----------------|
| (1) Employer securities | 1d(1) | 7900200 | 8333675 |
| (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 | 8475200 | 9462598 |

Liabilities

| | | | |
|---|-----------|---|---|
| g Benefit claims payable | 1g | 0 | |
| h Operating payables | 1h | 0 | |
| i Acquisition indebtedness | 1i | 0 | |
| j Other liabilities | 1j | 0 | |
| k Total liabilities (add all amounts in lines 1g through 1j) | 1k | 0 | 0 |

Net Assets

| | | | |
|---|-----------|---------|---------|
| l Net assets (subtract line 1k from line 1f) | 1l | 8475200 | 9462598 |
|---|-----------|---------|---------|

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) | 799994 | |
| (B) Participants | 2a(1)(B) | 0 | |
| (C) Others (including rollovers) | 2a(1)(C) | 0 | |
| (2) Noncash contributions | 2a(2) | 200011 | 1000005 |
| (3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2) | 2a(3) | | |
| b Earnings on investments: | | | |
| (1) Interest: | | | |
| (A) Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| (B) U.S. Government securities | 2b(1)(B) | 0 | |
| (C) Corporate debt instruments | 2b(1)(C) | 0 | |
| (D) Loans (other than to participants) | 2b(1)(D) | 0 | |
| (E) Participant loans | 2b(1)(E) | | |
| (F) Other | 2b(1)(F) | 54 | |
| (G) Total interest. Add lines 2b(1)(A) through (F) | 2b(1)(G) | | 54 |
| (2) Dividends: (A) Preferred stock | 2b(2)(A) | 0 | |
| (B) Common stock | 2b(2)(B) | 0 | |
| (C) Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 0 | |
| (D) Total dividends. Add lines 2b(2)(A) , (B) , and (C) | 2b(2)(D) | | 0 |
| (3) Rents | 2b(3) | | 0 |
| (4) Net gain (loss) on sale of assets: (A) Aggregate proceeds | 2b(4)(A) | 0 | |
| (B) Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| (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) | 0 | |
| (B) Other | 2b(5)(B) | 233464 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 233464 |

| | | (a) Amount | (b) Total |
|---|---------------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 0 |
| c Other income | 2c | | 0 |
| d Total income. Add all income amounts in column (b) and enter total | 2d | | 1233523 |

Expenses**e** Benefit payment and payments to provide benefits:

| | | | |
|---|--------------|--------|--------|
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 246110 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 246110 |
| f Corrective distributions (see instructions) | 2f | | 0 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 15 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 15 |
| j Total expenses. Add all expense amounts in column (b) and enter total | 2j | | 246125 |

Net Income and Reconciliation

| | | | |
|---|--------------|--|--------|
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 987398 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (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) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: MOSS ADAMS LLP

(2) EIN: 91-0189318

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.) | | 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.) | | 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.) | | 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.) | | X | | |
| e Was this plan covered by a fidelity bond? | X | | | 3000000 |
| f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | | 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? | | 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? | | 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.) | 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.) | | 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? | | X | | |
| l Has the plan failed to provide any benefit when due under the plan? | | X | | |
| m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | | 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. | | | | |
| o Did the plan trust incur unrelated business taxable income? | | | | |
| p Were in-service distributions made during the plan year? | X | | | 112820 |

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 <u>HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u> | B Three-digit plan number (PN) ▶ <u>002</u> |
| C Plan sponsor's name as shown on line 2a of Form 5500 <u>HEALTHCARE RESOURCE GROUP, INC.</u> | D Employer Identification Number (EIN) <u>82-0474664</u> |

| | |
|---------------|----------------------|
| 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 | <u>0</u> |
| 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): <u>42-0127290</u> | | |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3. | | |
| 3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year..... | 3 | |

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

| | | | |
|---|---|-----------------------------|------------------------------|
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 11 a Does the ESOP hold any preferred stock? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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.) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2015
v. 150123

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? | <input type="checkbox"/> Yes | <input type="checkbox"/> 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)? | <input type="checkbox"/> Design-based safe harbor method | <input type="checkbox"/> 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))? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): | <input type="checkbox"/> Ratio percentage test | <input type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 22a Has the plan been timely amended for all required tax law changes? | <input type="checkbox"/> Yes | <input type="checkbox"/> No <input type="checkbox"/> 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)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE AND INTERNAL CONTROL RELATED MATTERS

To the Plan Administrators
Healthcare Resource Group, Inc.
Employee Stock Ownership Plan and Trust

We have audited the financial statements and supplementary information of Healthcare Resource Group Inc. Employee Stock Ownership Plan and Trust (Plan) as of and for the year ended December 31, 2015, and have issued our report thereon dated October 14, 2016. Professional standards require that we provide you with the following information related to our audit

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated June 23, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United State of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we considered the Plan's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

You should understand that our audit is not specifically designed for, and should not be relied upon, to disclose matters affecting Plan qualifications or compliance with the ERISA and Internal Revenue Code requirements.

Other Information in Documents Containing Audited Financial Statements

The American Institute of Certified Public Accountant (AICPA)'s Audit and Accounting Guide for Employee Benefit Plans requires that, before an auditor's report on the Plan's financial statements can be included with a filed Form 5500 (including any related schedules), the auditor must review Form 5500 and consider whether there are any material inconsistencies between the other information in the form and the audited financial statements or any material misstatement of fact.

Our responsibility for other information in Form 5500 does not extend beyond the financial information identified in our report. We do not have an obligation to perform any procedures to corroborate other information contained in the form, except as described above. However, we have read the information contained in Form 5500 and nothing came to our attention that caused us to believe that such information or its manner of presentation is materially inconsistent with the information as it is presented in the financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated June 23, 2016.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements.

There were no changes in the application of existing accounting policies during the year. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates may be an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements is management's estimate of the accumulated benefit obligation, which is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop the accumulated benefit obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users.

We did not note any disclosures in the financial statements that we consider sensitive to potential users.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not note any uncorrected misstatements in the course of the engagement.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 14, 2016.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Plan Administrators
Healthcare Resource Group, Inc.
Employee Stock Ownership Plan and Trust
October 14, 2016
Page 5

COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS

Our responsibility under auditing standards with respect to internal control is described above.

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



We were pleased to serve and be associated with the Plan as the independent auditors for 2015. We provide the above information to assist you in performing your oversight responsibilities.

Moss Adams LLP

Spokane, Washington

:pae



Report of Independent Auditors
and Financial Statements with
Supplementary Information for

Healthcare Resource Group, Inc.
Employee Stock Ownership Plan and
Trust

December 31, 2015 and 2014

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

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REPORT OF INDEPENDENT AUDITORS

To the Trustees
Healthcare Resource Group, Inc.
Employee Stock Ownership Plan and Trust

Report on Financial Statements

We have audited the accompanying financial statements of Healthcare Resource Group, Inc. Employee Stock Ownership Plan and Trust (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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

REPORT OF INDEPENDENT AUDITORS
(continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Schedule H, Line 4i – Schedule of assets (held at end of year) as of December 31, 2015, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan’s management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Spokane, Washington
October 14, 2016

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, | |
|---|---------------------|---------------------|
| | 2015 | 2014 |
| ASSETS | | |
| Investment in Healthcare Resource Group, Inc. common stock, at fair market value | \$ 8,333,675 | \$ 7,900,200 |
| Cash and cash equivalents | 328,929 | 225,000 |
| Contribution receivable | 799,994 | 350,000 |
| Total assets | 9,462,598 | 8,475,200 |
| Net assets available for benefits | <u>\$ 9,462,598</u> | <u>\$ 8,475,200</u> |

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

| | Year Ended December 31, |
|---|----------------------------|
| ADDITIONS TO NET ASSETS | |
| Net appreciation in estimated fair value of investments | \$ 233,519 |
| Employer contributions | <u>1,000,005</u> |
| Total additions | <u>1,233,524</u> |
| DEDUCTIONS FROM NET ASSETS | |
| Administrative expenses | 15 |
| Benefits paid to participants | <u>246,111</u> |
| Total deductions | <u>246,126</u> |
| CHANGE IN NET ASSETS | 987,398 |
| NET ASSETS AVAILABLE FOR BENEFITS | |
| Beginning of year | <u>8,475,200</u> |
| End of year | <u><u>\$ 9,462,598</u></u> |

HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

Note 1 – Plan Description and Basis of Presentation

History and general – Healthcare Resource Group, Inc. (Company) established Healthcare Resource Group, Inc. Employee Stock Ownership Plan and Trust (Plan) effective January 1, 2005. The Plan operates as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by a committee appointed by the Board of Directors of the Company. The Plan document should be referred to for specific information regarding benefits and other Plan matters.

Eligibility – Employees of the Company who are not covered under collective bargaining agreements, who are not non-resident aliens, and who work 1,000 or more hours annually are eligible to participate in the Plan following the completion of one year of service and the attainment of age 21. In the initial year of the Plan, eligible employees who were employed on January 1, 2005, became participants effective January 1, 2005.

Participant accounts – The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustees from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation relative to total eligible compensation. Net earnings and losses from the Plan's investments, except common stock of the Company, are allocated to each participant's account based on the ratio that participant's account bears to the total of all participants' account balances, as of the beginning of the Plan year. Net earnings and losses from the investment in common stock of the Company, including unrealized appreciation and depreciation in fair value, are allocated to each participant's account based on the actual number of shares of common stock allocated thereto.

Vesting – Participant accounts vest according to the following schedule:

All contributions made after January 1, 2007:

| <u>Credited Years of Service</u> | <u>Percentage Vested</u> |
|----------------------------------|--------------------------|
| Less than three years | 0% |
| Three years | 100% |

A participant's account shall fully vest upon death, disability, or attainment of age 62.

Payment of benefits – Distributions shall be made, in accordance with the Plan's distribution policy, based upon the circumstances of their termination of employment and the value of their account. A participant's account shall be distributed in the form of a lump-sum distribution or annual installments over a period, not exceeding five years, as determined by the Company.

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
AND TRUST
NOTES TO FINANCIAL STATEMENTS**

Note 1 – Plan Description and Basis of Presentation (Continued)

Upon a participant's termination date, the participant or their beneficiary will be entitled to receive payment from the participant's ESOP account, based on the value of the participants vested percentage. The value of a participant's ESOP account will be based on the value in their account as of the end of the Plan year prior to the date of payment. Upon termination of service, a participant will receive a lump-sum distribution of their account balance, without the participant's consent, if their vested balance does not exceed \$5,000. Distributions are generally made in the year following the fifth year of separation from the Company. Any stock allocated to participant accounts, which was due to an outstanding loan, need not be distributed until the close of the Plan year in which the loan has been fully repaid.

Participant accounts and forfeitures – Company common stock allocations and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. During 2015, forfeitures totaling \$108,332 were reallocated to remaining participants' accounts. There were no balances in forfeited, nonvested accounts at December 31, 2015 or 2014.

Diversification – Diversification is offered to participants close to retirement so they may have the opportunity to move part of the value of their investment in the Company common stock into investments that are more diversified. Participants who are at least age 55, with at least ten years of participation in the Plan, may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less all amounts previously diversified. In the sixth year, the percentage increases to 50%. Participants who elect to diversify receive a cash distribution.

Voting rights – Each participant is entitled to exercise certain voting rights attributable to the shares allocated to his or her account and is notified by the Company prior to the time that such rights may be exercised.

Plan termination – Although the Company has expressed no intent to do so, it reserves the right to terminate the Plan at any time, subject to the Plan provisions. Upon complete or partial termination of the Plan, the entire interest of each of the affected participants shall become 100% vested. The trustees shall distribute the interest of each participant in the trust fund to such participant or their beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the advisory committee shall direct the trustees to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

Note 1 – Plan Description and Basis of Presentation (Continued)

Put option – Under federal income tax regulations, Company common stock that is held by the Plan and its participants must include a put option if it is not readily tradable on an established market or is subject to trading limitations. The put option is a right to demand the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure the participant has the ability to ultimately obtain cash.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The financial statements of the Plan are prepared using the accrual method 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, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation – Investments are reported at fair value. See Note 6 for discussion of fair value measurements.

Income recognition – Purchases and sales of securities are recorded on a trade-date basis. The net appreciation in fair value of the Company's common stock consists of both the realized gains or losses and unrealized appreciation and depreciation of the Company common stock.

Payment of benefits – Benefits are recorded when paid.

Administrative expenses – The Company pays the administrative expenses of the Plan.

Subsequent events – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before the financial statements are available to be issued.

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

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
AND TRUST
NOTES TO FINANCIAL STATEMENTS**

Note 3 – Tax Status

The Internal Revenue Service determined and informed the Company by a letter dated July 26, 2013, the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, the Plan administrator has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to 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.

Note 4 – Administration of Plan Assets

The Plan assets, which consist of Company common stock, are held by the trustees of the Plan.

Company contributions are held and managed by the trustees, which invest cash received, interest and dividend income, and make benefit payments to participants.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

Note 5 – Investments

In a transaction on January 1, 2005, the Plan acquired 495,000 shares of the Company's outstanding common stock for \$10.34 per share. The Plan acquired 12,532 additional shares during 2015, at a cost basis of \$16.42 per share. The cost of the shares for both transactions was the estimated fair value, as determined by an independent appraisal at the time of acquisition. The estimated fair value, as determined by independent appraisal as of December 31, 2015 and 2014, was \$16.42 and \$15.96 per share, respectively. The estimated fair value in Company common stock as of December 31, 2015 and 2014, was \$8,333,675 and \$7,900,200, with a cost of \$5,320,011 and \$5,120,000, respectively.

Employer contributions are generally made in the form of sponsor company common stock and cannot be diversified until certain criteria are met. As the participant lacks the ability to exercise independent control over these funds, they are defined as nonparticipant-directed. Although a portion of the sponsor company common stock is participant-directed (those who have met diversification criteria, as defined in Note 1), the Plan sponsor is unable to calculate the amount. Accordingly, 100% of the sponsor company common stock held by the Plan has been presented as nonparticipant-directed. During 2013, 57,113 shares were committed to be released and allocated to participants, resulting in all shares being allocated to participants as of December 31, 2013.

HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued)

Nonparticipant-directed investments as of December 31, are as follows:

| | <u>2015</u> | <u>2014</u> |
|------------------------------|------------------|------------------|
| Sponsor company common stock | <u>8,333,675</u> | <u>7,900,200</u> |

Note 6 – Fair Value Measurements

The Plan adheres to authoritative guidance on fair value measurements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

The framework for measuring fair value provides a 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 the plan has the ability to access.
- Level 2** Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
AND TRUST
NOTES TO FINANCIAL STATEMENTS**

Note 6 – Fair Value Measurements (continued)

The following table discloses by level the fair value hierarchy:

| Investment Assets at Fair Value as of December 31, 2015 | | | | |
|---|---------|---------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Healthcare Resource Group, Inc. common stock | \$ - | \$ - | \$ 8,333,675 | \$ 8,333,675 |

| Investment Assets at Fair Value as of December 31, 2014 | | | | |
|---|---------|---------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Healthcare Resource Group, Inc. common stock | \$ - | \$ - | \$ 7,900,200 | \$ 7,900,200 |

The following table discloses the summary of changes in the fair value of the Plan's Level 3 investment assets:

| | Common Stock |
|----------------------------|--------------|
| Balance, December 31, 2014 | \$ 7,900,200 |
| Purchases | 205,777 |
| Unrealized gain | 227,698 |
| Balance, December 31, 2015 | \$ 8,333,675 |

Unrealized gains included in changes in net assets for the period above are reported in net appreciation in the fair value of Company common stock in the statement of changes in net assets available for benefits.

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.

The fair market value of the Company common stock held by the Plan is valued based upon an independent appraisal. Similar to prior years, this appraisal was based upon a the discounted cash flow method, which uses ten-year cash flow forecasts based on management's projections and expectations, in combination with an analysis of historical results and trends.

The valuation process involves Plan management selecting an independent appraiser. Plan management accumulates the data for the appraiser from audited financial statements of the Company and financial information and transactions through the Company's year end of December 31. The appraiser prepares a preliminary report that Plan management, along with the ESOP trustees, review in detail, discuss, and approve. The results of this process is documented in the minutes of the Plan fiduciaries.

HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

Note 6 – Fair Value Measurements (continued)

The preceding methods described may produce a fair market value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 market value of certain financial instruments could result in a different fair market value measurement at the reporting date.

The following table sets forth the basic valuation techniques and inputs used in arriving at fair value:

| Instrument | Valuation Techniques | Unobservable Input |
|----------------------|-------------------------|---|
| Company common stock | Discounted cash flow | Weighted-average cost of capital Long-term revenue growth rate Projected gross profit |

Note 7 – Company Contributions

The Company is obligated to make contributions in cash to the Plan that, when aggregated with the Plan's distributions and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its notes payable. However, the note was paid in full on September 16, 2014. Employer contributions shall now pay each Plan year in amounts as determined by the Board of Directors, but not to exceed 25% of all participants' compensation.

SUPPLEMENTARY INFORMATION REQUIRED BY THE DEPARTMENT OF LABOR

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
AND TRUST
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

Plan Sponsor's EIN: 82-0474664
Plan Number : 002

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment, including Maturity Date and Rate of Interest | December 31, 2015 | |
|-----|---|---|---------------------|-------------------------|
| | | | (d) Cost | (e) Current Value |
| * | Healthcare Resource Group, Inc. | 507,532 shares common stock | \$ 5,320,011 | \$ 8,333,675 |
| | | | <u>\$ 5,320,011</u> | <u>\$ 8,333,675</u> |

* Denotes party in interest.

**HEALTHCARE RESOURCE GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
AND TRUST
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

Plan Sponsor's EIN: 82-0474664
Plan Number : 002

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment, including Maturity Date and Rate of Interest | December 31, 2015 | |
|-----|---|---|---------------------|-------------------------|
| | | | (d) Cost | (e) Current Value |
| * | Healthcare Resource Group, Inc. | 507,532 shares common stock | \$ 5,320,011 | \$ 8,333,675 |
| | | | <u>\$ 5,320,011</u> | <u>\$ 8,333,675</u> |

* Denotes party in interest.