

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>
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.) ☐ 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: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information	
1a	Name of plan <u>LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>338</u> 1c Effective date of plan <u>07/01/1997</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) <u>LANDRUM PROFESSIONAL EMPLOYER SERVICES, INC.</u> <u>6723 PLANTATION ROAD</u> <u>PENSACOLA, FL 32504</u>	2b Employer Identification Number (EIN) <u>59-2345956</u> 2c Plan Sponsor's telephone number <u>800-888-0472</u> 2d Business code (see instructions) <u>561300</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.	10/06/2017	SUSAN HUNSUCKER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2017	SUSAN HUNSUCKER
	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

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

3a Plan administrator's name and address ☒ 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: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 3452
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 3130 6a(2) 2883 6b 0 6c 347 6d 3230 6e 0 6f 3230 6g 1659 6h 58
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 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) ☒ 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) ☒ 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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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) 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
		2016
		This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016	
A Name of plan LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 338
C Plan sponsor's name as shown on line 2a of Form 5500 LANDRUM PROFESSIONAL EMPLOYER SERVICES, INC.	D Employer Identification Number (EIN) 59-2345956

Part I	Service Provider Information (see instructions)
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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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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)

SLAVIC INTEGRATED ADMINISTRATION

65-0608221

(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 38 50	TPA	328243	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SLAVIC MUTUAL FUND MANAGEMENT CORP

59-2749576

(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?
28	INVESTMENT MGMT	101515	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIDUCIARY PARTNERS INV. CONSULTING

2729 STATE ROAD 580, SUITE C
CLEARWATER, FL 33761

(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?
26	INV. ADVISOR	25000	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)

FIDUCIARY PARTNERS RETIREMENT GROUP

2729 STATE ROAD 580, SUITE C
CLEARWATER, FL 33761

(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?
26 51	INV. ADVISOR	25000	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
(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
(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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(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:	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) 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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>		
A Name of plan <u>LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>338</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LANDRUM PROFESSIONAL EMPLOYER SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>59-2345956</u>	

Part I	Asset and Liability Statement
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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)	660995	634919
(2) Participant contributions	1b(2)	101707	117188
(3) Other.....	1b(3)	7135	2974
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)	1900101	1667009
(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)	70753143	73302683
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	73423081	75724773

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	73423081	75724773
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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)	2529368	
(B) Participants	2a(1)(B)	4931470	
(C) Others (including rollovers)	2a(1)(C)	452829	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		7913667
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)	68299	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		68299
(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)	1835084	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1835084
(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)		
(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)		3493878
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		13310928

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5368109	
(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)		5368109
f Corrective distributions (see instructions)	2f		95985
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	20000	
(2) Contract administrator fees.....	2i(2)	328243	
(3) Investment advisory and management fees.....	2i(3)	151515	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		499758
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5963852

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		7347076
l Transfers of assets:			
(1) To this plan.....	2l(1)		2681306
(2) From this plan.....	2l(2)		7726690

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: WARREN AVERETT, LLC

(2) EIN: 45-4084437

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

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

Part IV Compliance Questions

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

During the plan year:

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

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.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n	X		
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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)
SIGNUM HR 401(K) SAVINGS PLAN	57-1077604	002
TWIN OAKS JUVENILE DEVELOPMENT, INC. 401(K) PLAN	59-3512790	002
APPLIED BUSINESS SOLUTIONS, LLC 401(K) PLAN	20-0379472	001
QUALITY EDUCATION SYSTEMS RETIREMENT SAVINGS PLAN	59-3612069	002

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

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 sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>338</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LANDRUM PROFESSIONAL EMPLOYER SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>59-2345956</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>65-0708495</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)?	☐ 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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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

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

Schedule R (Form 5500) 2016
v. 160205

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
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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
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

**LANDRUM PROFESSIONAL EMPLOYER SERVICES
RETIREMENT SAVINGS PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE**

DECEMBER 31, 2016 AND 2015

**LANDRUM PROFESSIONAL EMPLOYER SERVICES
RETIREMENT SAVINGS PLAN
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DECEMBER 31, 2016 AND 2015**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Landrum Professional Employer Services Retirement Savings Plan

Report on Financial Statements

We were engaged to audit the accompanying financial statements of Landrum Professional Employer Services Retirement Savings Plan (Plan), which comprise the statement of net assets available for plan benefits as of December 31, 2016, the related statement of changes in net assets available for plan benefits for the year ended December 31, 2016, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the 2016 financial statements based on conducting our 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 on the 2016 financial statements.

Basis for Disclaimer of Opinion on the 2016 Financial Statements

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Mid Atlantic Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the 2016 financial statements and supplemental schedule. We have been informed by the plan administrator that Mid Atlantic Trust Company 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, 2016, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion on the 2016 Financial Statements

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 the 2016 financial statements.

Other Matters – Report on Supplemental Schedule and Report on 2015 Financial Statements

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), as of December 31, 2016, is required by the Department of Labor'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 on the 2016 Financial Statements paragraph, we don't not express an opinion on the supplemental schedule referred to above.

We have audited the accompanying statement on net assets available for benefits, of Landrum Professional Employer Services Retirement Savings Plan as of December 31, 2015, and in our report dated October 13, 2016, we expressed our opinion that such financial statement presents fairly, in all material respects, the net assets available for benefits of Landrum Professional Employer Services Retirement Savings Plan as of December 31, 2015, and changes in its net assets available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content in Compliance with DOL Rules and Regulations for 2016 Financial Statements

The form and content of the information included in the 2016 financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with the auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Warren Averett, LLC

Pensacola, Florida
October 4, 2017

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
INVESTMENTS, AT FAIR VALUE		
Mutual funds	\$ 73,302,685	\$ 70,753,143
RECEIVABLES		
Participant contributions	120,162	108,842
Employer contributions	634,919	660,995
Notes receivable from participants	1,667,009	1,900,101
Total receivables	<u>2,422,090</u>	<u>2,669,938</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 75,724,775</u>	<u>\$ 73,423,081</u>

See notes to the financial statements.

**LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment income:

Dividends	\$ 1,835,084
Net appreciation in fair value of investments	<u>3,493,880</u>

Total additions to net assets attributed to investment income	<u>5,328,964</u>
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Interest on participant loans	<u>68,299</u>
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Contributions:

Employer contributions	2,529,368
Participant contributions	4,931,470
Rollover contributions	<u>452,829</u>

Total contributions	<u>7,913,667</u>
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Transfer of assets to the Plan	<u>2,681,306</u>
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Total additions to net assets	<u>15,992,236</u>
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DEDUCTIONS TO NET ASSETS ATTRIBUTED TO

Benefits paid to participants	5,464,094
Administrative expenses	499,758
Transfers of assets from the Plan	<u>7,726,690</u>

Total deductions to net assets	<u>13,690,542</u>
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NET INCREASE	<u>2,301,694</u>
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NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	<u>73,423,081</u>
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NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	<u><u>\$ 75,724,775</u></u>
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See notes to the financial statements.

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. DESCRIPTION OF THE PLAN

The following description of the Landrum Professional Employer Services Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code, covering substantially all employees of participating clients of Landrum Professional Employer Services, Inc. (the Sponsor), and Landrum Companies, Inc., a related party. The Plan qualifies as a "multiple employer" plan as described in Section 413(c) of the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and is administered by the Sponsor.

In 2015, the Plan was amended to reflect changes made by final regulations under Sections 401(k) and 401(m) of the Internal Revenue Code with respect to 401(k) safe harbor plans.

Eligibility

All employees who are 21 years of age, work for a participating client, and fulfill the participating client's service requirement are eligible to participate in the Plan. Participating clients may select from the following service requirements: (1) one year of service (1,000 hours of service in a consecutive twelve month period), (2) one to eleven months of service or (3) immediate eligibility. Additionally, a participating client may elect to waive the age and service eligibility requirements for individuals who are performing services for a participating client as of a specified date or may elect an age requirement less than 21 years of age. Entry into the Plan occurs based on the provisions of the participating client's agreement.

Employees are eligible for an allocation of the participating client's contribution, if any, as specified in the participating client's agreement.

Contributions

Participants can authorize payroll deferrals up to the maximum percentage of compensation or dollar amount permissible by the Internal Revenue Code (IRC). Participants are permitted to contribute catch-up contributions in accordance with IRC requirements. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans and after-tax compensation subject to Roth 401(k) requirements. Participants direct the investment of their contribution into various investments offered by the Plan which include, but are not limited to, pre-allocated portfolio options.

Participating clients adopt one of several available options ranging from no participation to a mandatory match based on the participant's compensation for the plan year. Participating clients may also elect to make discretionary profit-sharing contributions.

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. DESCRIPTION OF THE PLAN – CONTINUED

Participant Accounts

Each participant's account is credited with the participant's contribution, allocation of the participating client's contributions on behalf of the participant, and investment earnings on the participant's account. Allocation of investment earnings is based on daily valuations of participant account balances. The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account.

Distributions and Withdrawals

Benefits under the plan become distributable upon termination of employment, on or after normal retirement age (65), upon death, or upon total and permanent disability while under employment. Participants may also take distribution of their vested account balance at age 59 1/2. Upon the death of a participant, benefit payments are paid in a lump sum to the surviving spouse or other designated beneficiary.

Notes Receivable from Participants and Hardship Distributions

Participants may borrow a minimum of \$1,000 up to a maximum of 50% of their vested account balance, not to exceed \$50,000. Participants are charged with out-of-pocket costs associated with the loan. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 4.25% to 6.25%, which are commensurate with local prevailing rates as determined by the Plan administrator. Loans are payable through payroll deductions and must be paid within five years except for primary home loans which must be paid within fifteen years.

Funds may also be accessed prior to the date they become distributable by way of a hardship withdrawal as allowed by current Internal Revenue Service guidelines.

Vesting

Participants are fully vested with respect in their employee contributions plus actual earnings thereon. Vesting of participating client contributions is based on years of service beginning with the participants' day of hire. The standard vesting schedule is as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 or more	100%

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. DESCRIPTION OF THE PLAN – CONTINUED

However, based upon the agreements of mergers with other plans, the vesting schedule may vary among participating clients. Participants associated with clients with safe harbor provisions have immediate vesting.

A year of service is defined as a Plan year in which a participant is credited with 1,000 hours of service. A participant is fully vested in all of his or her account under the Plan upon reaching the Plan's normal retirement age, disability, or death.

Forfeitures

Forfeited non-vested accounts are used to pay Plan expenses and to reduce employer contributions. At December 31, 2016 and 2015, forfeited non-vested accounts totaled approximately \$58,000 and \$17,000, respectively. Approximately \$56,000 of forfeited non-vested accounts was used to reduce employer contributions in 2016.

Plan Mergers

In 2016, the trustee of the Plan approved the merger of the Edgewater Beach Resort Management, Inc. 401(k) Plan and the First Exchange Bank 401(k) Plan into the Plan.

In 2015, the trustee of the Plan approved the merger of the VS Fisher Company, Inc. 401(k) Plan into the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances 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, 2016 and 2015.

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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's Investment 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 appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Payment of Benefits

Benefits are recorded when paid. At December 31, 2016, benefits payable allocated to persons who have elected to withdraw from the plan but had not yet been paid were approximately \$495,000.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company 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 included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Recent Accounting Pronouncement

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): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient* as issued by the FASB. This three-part ASU simplifies employee benefit plan reporting with respect to fully benefit-responsive investment contracts and plan investment disclosures, and provides for a measurement-date practical expedient. Management has elected to early adopt Part II. Accordingly, the amendment was retrospectively applied resulting in the elimination of the note disclosing investments representing more than 5% of the Plan's net assets. Parts I and III are not applicable to the Plan.

Subsequent Events

The Plan has evaluated events through October 4, 2017, which is the date that the financial statements were available to be issued.

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

3. INFORMATION CERTIFIED BY CUSTODIAN

All investment information regarding the Plan as of and for the year ended December 31, 2016, included in the Plan's financial statements and supplementary schedule, except for the Fidelity investments in the amount of \$296,198, was prepared by or derived from information provided by Mid Atlantic Trust Company, the custodian of the Plan, and furnished to the plan administrator. The plan administrator has obtained certifications from the custodian that such information is complete and accurate.

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 under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2016 and 2015.

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.

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

4. FAIR VALUE MEASUREMENTS – CONTINUED

The preceding methods described may produce a fair 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 value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Plan's investments at fair value, categorized by level within the fair value hierarchy, on a recurring basis at December 31, 2016 and 2015.

	<u>2016</u>	<u>2015</u>
Investments at fair value:	Level I	Level I
Mutual Funds	<u>\$ 73,302,685</u>	<u>\$ 70,753,143</u>

5. TAX STATUS

The IRS has determined and informed the Company, by a letter dated August 28, 2013, that the Plan as then designed is in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator and Plan's tax counsel believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan 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.

6. PLAN TERMINATION

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

**LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

7. 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.

8. TRANSFERS FROM AND TO THE PLAN

In 2016, the assets of the former Plan participants that were employed by Hawthorne Laurel Pharmacy Inc., Twin Oaks Juvenile Development, Inc., Woodrum/ASC, LLC, and Quality Education Systems, Inc. (former participating employers of the multiple-employer Plan) were transferred from the Plan. The transfer out amounts totaled \$7,726,690.

In 2016, the assets of the participants that are employed by Edgewater Beach Resort Management, Inc. and First Exchange Bank were transferred to the Plan as the result of mergers into the Plan. The transfer in amounts totaled \$2,681,306.

SUPPLEMENTARY SCHEDULE

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN
EIN # 59-2345956
SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2016

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current value
	American Funds Capital World Bond R6	Mutual fund	\$ 207,785
	American Funds Capital World G & I R6	Mutual fund	1,498,384
	American Funds EuroPacifc R6	Mutual fund	3,499,850
	American Funds Washington Mutual R6	Mutual fund	2,232,180
	Columbia Communications & Information I	Mutual fund	813,362
	Davis Government Money Market	Mutual fund	2,898,346
	DFA Emerging Markets Core Equity	Mutual fund	1,032,340
	DFA US Targeted Port	Mutual fund	59,766
	Fidelity SDB	Mutual fund	296,198
	Fidelity Select Health Care	Mutual fund	1,104,343
	Franklin Utilities Advisor Class	Mutual fund	546,396
	JPMorgan Mid Cap Value Inst	Mutual fund	908,193
	MFS Growth Fund R6	Mutual fund	2,021,292
	Principal Investors High Yield II	Mutual fund	482,602
	Principal Mid Cap Blend	Mutual fund	4,099,684
	Vanguard Energy Index Admiral	Mutual fund	158,126
	Vanguard European Stock Index Admiral	Mutual fund	88,327
	Vanguard Federal Money Market	Mutual fund	4,931,248
	Vanguard Industrial Index Admiral	Mutual fund	2,040,198
	Vanguard Inflation Protected Securities	Mutual fund	571,372
	Vanguard Intermediate-Term Bond Index Ad	Mutual fund	1,399,292
	Vanguard Materials Index Adm	Mutual fund	535,169
	Vanguard Mid Cap Index Admiral	Mutual fund	1,241,231
	Vanguard REIT Index Admiral	Mutual fund	670,996
	Vanguard Short-Term Federal Admiral	Mutual fund	10,639,104
	Vanguard Small Cap Growth Index Adm	Mutual fund	1,253,664
	Vanguard Small Cap Index Admiral	Mutual fund	320,087
	Vanguard Target Retirement 2020	Mutual fund	31,107
	Vanguard Target Retirement 2025	Mutual fund	20,592
	Vanguard Target Retirement 2030	Mutual fund	178,320
	Vanguard Target Retirement 2035	Mutual fund	138,439
	Vanguard Target Retirement 2040	Mutual fund	881
	Vanguard Target Retirement 2050	Mutual fund	5,848
	Vanguard Target Retirement 2055	Mutual fund	29,177
	Vanguard Target Retirement 2060	Mutual fund	557
	Vanguard Total Int'l Stock Index Admiral	Mutual fund	692,542
	Vanguard Total Stock Market Index Admira	Mutual fund	26,653,087
	Vanguard Treasury Money Market	Mutual fund	2,600
			<u>73,302,685</u>
		Interest rates range	
*	Notes receivable from participants	from 4.25% to 6.25%;	
		various maturity dates	<u>1,667,009</u>
*	Party in interest to the plan		<u>\$ 74,969,694</u>

Column (d) has not been presented as this information is not applicable.

See independent auditors' report.

Multiple-Employer Plan Participating Employer Information

Landrum Professional Employer Services Retirement Plan # 338		EIN # 59-2345956
(a) Name of participating employer	(b) EIN	(c) Percent of Total Contributions
102035	20-1431567	1.89%
4501010	35-2516783	0.09%
5601001	26-2550461	4.95%
6401053	45-2204067	0.25%
102032	46-0847559	0.28%
101878	20-8109530	0.13%
5601002	26-2866323	0.61%
102112	46-5182138	0.49%
7101322	59-2110489	1.12%
101913	71-0896394	0.89%
101933	04-3461275	3.77%
7101639	59-1461046	0.09%
102158	26-1371020	0.24%
101184	59-2996893	0.13%
5801001	54-1971779	5.02%
101818	59-3703529	0.58%
7101078	59-1467913	0.49%
101912	26-0548646	0.30%
5701001	57-0770594	0.47%
7101228	59-2288751	0.27%
7101712	91-1921216	0.50%
5601008	56-2179162	1.02%
801552	65-1005980	0.05%
102049	59-3384516	0.27%
5501004	57-1116130	0.86%
101960	27-1338291	0.58%
6401002	59-3733505	0.43%
102108	47-1954665	0.42%
7101737	47-5426134	0.22%
101990	27-3982846	1.18%
7101372	59-2150685	0.06%
101791	59-3458334	0.62%
7101647	59-3683227	0.41%
5701003	51-0846158	0.51%
1101002	59-2369578	2.76%
101808	02-0751749	0.87%
102033	52-1935343	0.57%
7101629	59-3381523	0.09%
6401049	45-0600978	0.04%
7101191	59-2659799	0.53%
6401047	63-0071230	1.27%
101468	59-2811201	0.20%
7101713	59-3531927	0.42%
801602	27-2753047	0.22%
7101649	59-3685250	0.22%
7101221	59-3133012	0.62%
7101125	59-6178237	2.03%
7101146	59-0948405	1.64%
7101525	63-1022769	0.77%

Landrum Professional Employer Services Retirement Plan # 338**EIN # 59-2345956**

(a) Name of participating employer	(b) EIN	(c) Percent of Total Contributions
102027	27-4874188	0.67%
102006	45-2532367	0.04%
7101299	59-0882915	0.57%
7101653	54-2143487	1.40%
101732	56-2308972	2.19%
6501006	59-1682455	0.12%
801597	26-1511849	0.12%
5701004	57-0468168	0.05%
101983	59-2521606	0.99%
7101480	59-3193316	0.17%
6401052	20-4020067	0.61%
102045	59-3648353	0.59%
2501002	45-2762479	0.40%
102071	46-2655180	1.31%
1201002	59-1822583	0.71%
101892	02-0533580	0.68%
3501006	59-2345956	9.82%
101436	52-2421607	0.05%
5501011	36-4510570	0.30%
7101369	59-3599370	0.35%
7101240	59-3492809	1.01%
5701017	47-4785839	1.33%
7101427	59-2098328	0.96%
5601017	57-0898841	0.02%
7101564	59-1984545	3.91%
6601019	58-2275891	0.23%
7101573	59-2299573	0.27%
7101587	20-0770577	1.16%
101550	59-2524325	0.50%
5501013	57-1108629	0.90%
101738	59-1580961	0.26%
7101675	59-2478742	0.97%
101444	59-0190330	0.16%
7101682	27-3582307	0.19%
5701019	45-3200749	0.08%
102101	62-1580824	0.34%
101767	59-2103360	0.28%
7101683	20-1920020	0.41%
7101023	59-3436975	0.21%
101823	59-3035944	0.37%
102056	26-3411856	0.05%
801612	81-2912669	0.01%
102080	30-0502958	0.24%
7101492	59-1471816	0.39%
6601022	58-1900980	0.79%
7801021	20-0755069	0.01%
7101384	59-3424337	1.88%
5701015	20-0820322	0.16%
7101621	59-2029738	0.79%
101920	20-8066586	0.31%
6401010	27-4504760	0.43%
102098	59-1792595	0.92%
5501009	57-1071326	0.96%

Landrum Professional Employer Services Retirement Plan # 338**EIN # 59-2345956**

(a) Name of participating employer	(b) EIN	(c) Percent of Total Contributions
101740	56-2315052	0.36%
102144	94-2787834	2.80%
801601	26-3781414	0.02%
101442	59-3155909	0.53%
7101032	59-6032404	0.19%
7201001	59-3512790	0.19%
7101695	59-3681863	2.19%
102039	52-1798851	0.64%
7101137	59-0651076	0.47%
7101696	59-2104175	0.77%
101755	59-0863698	0.13%
6501042	59-2166444	0.24%
102088	46-3684826	0.44%
7101729	20-5752236	0.39%
7101468	59-1614147	0.01%
7101698	59-2591254	1.18%
7101727	47-1998128	1.26%
102110	47-1276591	0.03%
7101700	59-3326473	1.66%
4501008	20-1872061	0.42%
7101409	75-2669577	0.61%
7101219	59-3390564	1.80%
901017	20-2991933	0.59%

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR).

LANDRUM PROFESSIONAL EMPLOYER SERVICES RETIREMENT SAVINGS PLAN

EIN #: 59-2345956

(a)	(b) Identity of issue, 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
	American Funds	RCWGX - American Funds Capital World Bond R6		207,785
	American Funds	RERGX - American Funds EuroPacific R6		3,499,851
	American Funds	RWIGX - American Funds Capital World G & I R6		1,498,384
	American Funds	RWMGX - American Funds Washington Mutual R6		2,232,180
	Columbia	SCMIX - Columbia Communications & Information I		813,362
	Davis	RPGXX - Davis Government Money Market		2,898,346
	DFA	DFCEX - DFA Emerging Markets Core Equity		1,032,340
	DFA	DFFVX - DFA US Targeted Port		59,766
	DWS	MMUKX - MFS Utilities Fund Class R5		-
	DWS	OPGVX - Oppenheimer Limited-Term Govt A		-
	DWS	OPPAX - Oppenheimer Global Fund A		-
	DWS	PCBIX - Principal Mid Cap Blend		4,099,684
	Fidelity	FISDB - Fidelity SDB		296,198
	Fidelity	FSPHX - Fidelity Select Health Care		1,104,343
	Fidelity	FZBXX - Fidelity Govt Money Market		-
	Franklin/Templeton	FRUAX - Franklin Utilities Advisor Class		546,396
	Gabelli Funds/SSga	SSREX - SSgA REIT		1
	Gabelli Funds/SSga	SVSPX - SSgA S&P Index 500		-
	JPMorgan	FLMVX - JPMorgan Mid Cap Value Inst		908,193
	MFS	MFEKX - MFS Growth Fund R6		2,021,292
	Principal	PHYTX - Principal Investors High Yield II		482,602
	Prudential	PJNQX - Prudential Jennison Natural Resources Q		-
	Vanguard	VAIPX - Vanguard Inflation Protected Securities		571,372
	Vanguard	VBILX - Vanguard Intermediate-Term Bond Index Ad		1,399,292
	Vanguard	VENAX - Vanguard Energy Index Admiral		158,126
	Vanguard	VEUSX - Vanguard European Stock Index Admiral		88,327
	Vanguard	VFFVX - Vanguard Target Retirement 2055		29,177
	Vanguard	VFIFX - Vanguard Target Retirement 2050		5,848
	Vanguard	VFORX - Vanguard Target Retirement 2040		881
	Vanguard	VGSLX - Vanguard REIT Index Admiral		670,996
	Vanguard	VIMAX - Vanguard Mid Cap Index Admiral		1,241,231
	Vanguard	VINAX - Vanguard Industrial Index Admiral		2,040,198
	Vanguard	VMFXX - Vanguard Federal Money Market		4,931,248
	Vanguard	VMIAX - Vanguard Materials Index Adm		535,169
	Vanguard	VMMXX - Vanguard Money Market Prime		0
	Vanguard	VSGAX - Vanguard Small Cap Growth Index Adm		1,253,664
	Vanguard	VSGDX - Vanguard Short-Term Federal Admiral		10,639,104
	Vanguard	VSMAX - Vanguard Small Cap Index Admiral		320,087
	Vanguard	VTHRX - Vanguard Target Retirement 2030		178,320
	Vanguard	VTIAX - Vanguard Total Int'l Stock Index Admiral		692,542
	Vanguard	VTSAK - Vanguard Total Stock Market Index Admira		26,653,084
	Vanguard	VTTHX - Vanguard Target Retirement 2035		138,439
	Vanguard	VTTSX - Vanguard Target Retirement 2060		557
	Vanguard	VTTVX - Vanguard Target Retirement 2025		20,592
	Vanguard	VTWNX - Vanguard Target Retirement 2020		31,107
	Vanguard	VUSXX - Vanguard Treasury Money Market		2,600
	Wells Fargo	SGRAX - Wells Fargo Growth A		-
	Wells Fargo	SGRNK - Wells Fargo Advantage Growth Fund Inst		-
	Participant Loans	4.25% to 6.25%		1,667,009