

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 ☐ the first return/report ☐ an amended return/report	☐ a DFE (specify) _____ ☐ the final return/report ☐ a short plan year return/report (less than 12 months)	
B	This return/report is:		
C	If the plan is a collectively-bargained plan, check here.	☐	
D	Check box if filing under:	☒ Form 5558 ☐ special extension (enter description)	☐ automatic extension ☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>HARBOR AMERICA 401K PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>04/01/1997</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>HARBOR AMERICA HOLDINGS, INC.</u> <u>21977 E. WALLIS DR</u> <u>PORTER, TX 77365</u>	2b	Employer Identification Number (EIN) <u>01-0738710</u>
		2c	Plan Sponsor's telephone number <u>281-999-5544</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.	10/12/2017	NOLA M. WILLS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ 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	5 722
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) 634 6a(2) 558 6b 0 6c 78 6d 636 6e 0 6f 636 6g 259 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2A 2E 2F 2J 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.
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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 HARBOR AMERICA 401K PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 HARBOR AMERICA HOLDINGS, INC.	D Employer Identification Number (EIN) 01-0738710

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	62386	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	PORTFOLIO MGMT FEE	14103	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

HARBOR AMERICA HOLDINGS, INC.

01-0738710

(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?
14	PLAN ADMINISTRATOR	6142	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(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
(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 01/01/2016 and ending 12/31/2016		
A Name of plan HARBOR AMERICA 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARBOR AMERICA HOLDINGS, INC.	D Employer Identification Number (EIN) 01-0738710	

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)	18080	13507
(2) Participant contributions	1b(2)	32586	29875
(3) Other.....	1b(3)	6243	6565
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)	419203	404182
(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)	8246145	9260722
(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	8722257	9714851

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	8722257	9714851
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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)	402114	
(B) Participants	2a(1)(B)	790952	
(C) Others (including rollovers)	2a(1)(C)	8248	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1201314
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)	16338	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		16338
(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)	160426	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		160426
(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)		515845
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1893923

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	945832	
(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)		945832
f Corrective distributions (see instructions)	2f		8041
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	68528	
(3) Investment advisory and management fees.....	2i(3)	14103	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		82631
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1036504

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		857419
l Transfers of assets:			
(1) To this plan.....	2l(1)		316700
(2) From this plan.....	2l(2)		181525

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: CLAYBORN ACCOUNTING FINANCIAL SERVI

(2) EIN: 51-4641519

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)
EON CONSULTING, LLC 401(K) PLAN	61-1769932	001
LL ROBERTS GROUP RETIREMENT SAVINGS PLAN	75-2962401	001

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>HARBOR AMERICA 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARBOR AMERICA HOLDINGS, INC.</u>	D Employer Identification Number (EIN) <u>01-0738710</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	
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 / / .	

HARBOR AMERICA INC. 401(k) PLAN
FINANCIAL REPORT
Years Ended December 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To: The Harbor America Inc. 401(k) Plan

We have audited the accompanying financial statements of The Harbor America Inc. 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, 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 entity'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 entity'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.

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 Harbor America Inc. 401(k) Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Plan Assets Held for Investment, Form 5500, Schedule H, Part IV, line 4i, is presented for purposes of additional analysis and is a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 as a whole.



Ronald W. Clayborn, CPA
October 11, 2017

The Harbor America Inc. 401(K) Plan

Statement of Net Assets Available for Benefits

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS:		
Participant directed investments - at fair value	\$ 9,260,722	\$ 8,246,145
Participant loans	<u>404,182</u>	<u>419,203</u>
Receivables:		
Loan payment receivable	6,563	6,243
Employee contributions	29,875	32,586
Employer contributions	<u>13,507</u>	<u>18,079</u>
Total Receivables	<u>49,945</u>	<u>56,908</u>
TOTAL ASSETS	<u><u>\$ 9,714,849</u></u>	<u><u>\$ 8,722,256</u></u>
LIABILITIES:		
Accounts payable & accrued expenses	<u>\$ -</u>	<u>\$ -</u>
Net Assets Available for Benefits	<u><u>\$ 9,714,849</u></u>	<u><u>\$ 8,722,256</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

The Harbor America Inc. 401(K) Plan

Statement of Changes in Net Assets Available for Benefits

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Additions:</u>		
Investment income:		
Net gain, (loss) in fair value of investments	\$ 513,547	\$ (193,293)
Dividends	160,426	186,294
Other additions, fund revenue reimbursement	2,299	2,001
Interest Income on participant loans	16,338	17,634
	<u>692,610</u>	<u>12,636</u>
Contributions:		
Rollovers, Transfer of assets	324,948	280,799
Participant contributions	790,952	972,811
Employer contributions	402,114	516,669
	<u>1,518,014</u>	<u>1,770,279</u>
Total Additions	<u>2,210,624</u>	<u>1,782,915</u>
<u>Reductions:</u>		
Corrective distributions	(8,041)	(17,135)
Trustee fees, administrative expenses and other	(82,632)	(92,604)
Transfer of Asset from Plan	(151,439)	(1,284,203)
Participant loan transfer	(30,086)	(33,253)
Benefits paid to participants	(945,832)	(1,105,985)
	<u>(1,218,030)</u>	<u>(2,533,180)</u>
Total Reductions	<u>(1,218,030)</u>	<u>(2,533,180)</u>
Net Increase in assets available for benefits	992,594	(750,265)
<u>Net Assets Available for Benefits:</u>		
Beginning of year	<u>8,722,255</u>	<u>9,472,520</u>
End of year	<u>\$ 9,714,849</u>	<u>\$ 8,722,255</u>

The accompanying Notes to Financial Statements are an integral part of these statements

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

NOTE A - DESCRIPTION OF PLAN

The following description of the Harbor America ("Company") 401(K) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan is a multiple employer retirement plan in accordance with IRS Rev. Proc. 2002-21, as reflected in the form 5500 completed by the Plan administrator. Harbor America Holdings Inc., the Plan sponsor, is a professional employer organization and the worksite employees participating in the Plan are offered participation as a benefit of their co-employment with Harbor America and Harbor America's client organizations. The Plan utilizes multiple schedules for benefits, matching percentages, and profit sharing components as chosen by the management of the client organizations co-employing the participating worksite employees

The plan operated under the name Harbor America Texas 401(k) Plan in prior years. The name on the Plan has changed to Harbor America 401(k) Plan during the year ended December 31, 2009. No changes to the substantial elements of the plan or its operation changed as a result of this name change.

The Plan is a voluntary employee contribution plan under code section 401(K) of the Internal Revenue Code. It is subject to the provisions of the Employee Retirement Income Security Act (ERISA). In addition, the Company and the worksite employers can, at their discretion match employee contributions as provided in the schedule of requirements and benefits applicable to the specific worksite employer. Participants should refer to the Summary Plan Description or plan document for a more complete description of the Plan's provisions, and their specific worksite employers' Plan terms.

ELIGIBILITY

Pursuant to the election set forth in each worksite employers' Election Agreement, certain worksite employees are eligible to participate in the Plan. The eligibility period applicable to a worksite employee is based on the eligibility option elected in the applicable Election Agreement, made by the worksite employers. Age requirements for participation range from no requirement to the 21 years of age maximum defined by the code. Service requirements range from no prior service required to 1 year of service.

CONTRIBUTIONS

Each year, participants may contribute up to 100% of pretax annual compensation, including catch-up contributions as defined in the Plan, and subject to limits established by tax laws. Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

Pursuant to the elections set forth in each of the applicable Election Agreements, certain worksite employees may receive one or more of the following types of Company contributions: (A) matching contributions, (b) qualified non-elective contributions, and (c) discretionary profit-sharing contributions.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers multiple mutual funds for participants.

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and is charged with an allocation of administrative and investment expenses. Allocations are based on participant earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service in the specific worksite employers; vesting schedules vary.

PARTICIPANT LOANS

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 4.5%, but are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through payroll deductions.

PAYMENT OF BENEFITS

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a ten-year period. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

FORFEITED ACCOUNTS

At December 31, 2016 and 2015 forfeited non-vested accounts totaled \$0 and \$0. This amount will be reallocated back to the remaining participants on a prorated basis of the total value of their account to the total value of the remaining participants' accounts. The amount is held in the mutual fund investment account, The Federated Prime Obligation Fund.

ADMINISTRATIVE EXPENSES

Generally, administrative expenses are paid by the Plan; however, certain administrative expenses have been paid by the Company.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

liabilities. Actual results could differ from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are stated at the net asset value of shares held by the Plan at year end. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

PAYMENTS OF BENEFITS

Benefits are recorded when paid.

DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through October 11, 2016, which is the date the financial statements were available to be issued.

PARTICIPANT LOANS

Participant loans represent loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on participant loans is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when incurred. No allowance for credit losses has been recorded as of December 31, 2016 and 2015. If a participant ceases to make loan repayment and the Plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefits payment is recorded.

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 statement of net assets available for benefits

NOTE C - RELATED PARTY/EXEMPT PARTY-IN-INTEREST TRANSACTIONS

During 2016 and 2015 the Plan's Administrator served as the Company's Chief Compliance Officer. Certain employees and officers of the Company, who may also be participants in the Plan, perform administrative services to the Plan at no cost to the Plan.

Certain Plan investments, amounting to \$9,260,722 and \$9,246,145 at December 31, 2016 and December 31, 2015, respectively, are participant directed funds managed by the Trustee, Slavic Integrated Administration and Slavic Mutual Fund Management Corp., as defined by the Plan. Under ERISA, these transactions qualify as exempt party-in-interest transactions. Management and recordkeeping fees paid to the Trustee of \$82,632 and \$92,604 are included as reductions in assets available for plan benefits as Trustee fees, administrative expenses and other for the years ended December 31, 2016 and 2015, respectively.

NOTE D – PLAN ASSETS

The Plan is administered by Slavic Integrated Administration Inc. The Plan is a self-directed investment plan, where the participants allocate their assets based on choices available in the Plan. Each participant selects their own allocation of assets. The following is a schedule of mutual fund investments that represent 5 percent or more of the Plan's net assets that are

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

administered by Slavic Integrated Administration Inc.

As of December 31, 2016

Fund Name	Shares	PPS	Fund Value 12/31/2016
Vanguard Total Stock Market Index Admira	60,282.46	\$ 56.08	\$ 3,380,640
Vanguard Short-Term Federal Admiral	139,115.96	\$ 10.69	1,487,150
Vanguard Federal Money Market	1,350,973.76	\$ 1.00	1,350,974
Positions less than 5%			3,041,958
Total			\$ 9,260,722

As of December 31, 2015

Fund Name	Shares	PPS	Fund Value 12/31/2015
Vanguard Total Stock Market Index Admira	57,924.96	\$ 50.79	\$ 2,942,009
Vanguard Target Retirement 2035	126,998.30	\$ 10.71	1,360,152
MFS Utilities A	1,289,011.00	\$ 1.00	1,289,011
Positions less than 5%			2,654,973
Total			\$ 8,246,145

The total fees paid to Slavic Integrated Administration Inc for the management of the asset portfolio totaled \$82,632 for the year ended December 31, 2016 and \$92,604 for the year ended December 31, 2015.

NOTE E — FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount 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 fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

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;**
- **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.

For the years ended December 31, 2016 and 2015 The Plan only holds assets that require level 1 inputs.

LEVEL 1 FAIR VALUE MEASUREMENTS

Mutual funds are the only assets held by the Plan and are 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 NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2016 and 2015:

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

Fair Value Measurements at the End of the Reporting Period Using:				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	
<u>December 31, 2016</u>				
Mutual funds:				
Index funds	\$ 4,574,007	\$ 4,574,007	\$ -	
Bond funds	1,487,150	1,487,150	-	
Money Market funds	1,350,986	1,350,986	-	
Global funds	555,767	555,767	-	
Specialty funds	258,923	258,923	-	
Value funds	724,963	724,963	-	
Growth funds	308,926	308,926	-	
Total mutual funds	9,260,722	9,260,722	-	
Total assets at fair value	\$ 9,260,722	\$ 9,260,722	\$ -	
<u>December 31, 2015</u>				
Mutual funds:				
Index funds	\$ 4,154,914	\$ 4,154,914	\$ -	
Bond funds	1,360,152	1,360,152	-	
Money Market funds	1,302,466	1,302,466	-	
Global funds	511,912	511,912	-	
Specialty funds	299,138	299,138	-	
Value funds	304,104	304,104	-	
Growth funds	313,460	313,460	-	
Total mutual funds	8,246,145	8,246,145	-	
Total assets at fair value	\$ 8,246,145	\$ 8,246,145	\$ -	

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2016 and 2015 are reported in net appreciation in fair value of investments.

NOTE F – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of *ERISA*. In the event of Plan termination, participants would become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Harbor America 401(K) Plan
Notes to Financial Statements
December 31, 2016 and 2015

NOTE G – TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated April 10, 2007, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with requirements of the Internal Revenue Code.

GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effect of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken or expected to be taken. The Plan has no material uncertain tax positions. The Plan is not subject to income taxes. The Plan is open for examination for the tax years including 2016, 2015, and 2014, however there are currently no audits or examinations for any tax period in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

NOTE H – RECONCILIATION OF FINANCIAL STATEMENT TO FORM 5500

There were no items for reconciliation of net assets available for benefits per the financial statements at December 31, 2016 and 2015 to Form 5500.

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The Harbor America Inc. 401(K) Plan

Three-digit plan number 001

Employer identification number 01-07389710

Fiscal plan year beginning 01/01/16, and ending 12/31/16

Schedule of Plan Assets Held for Investment, Form 5500, Schedule H, Part IV, Line 4i

(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
	Vanguard Funds	Vanguard Total Stock Market Index Admira	n/a	\$ 3,380,641
	Vanguard Funds	Vanguard Short-Term Federal Admiral	n/a	1,487,150
	Vanguard Funds	Vanguard Federal Money Market	n/a	1,350,974
	American funds	American Funds EuroPacific R6	n/a	375,720
	Vanguard Funds	Vanguard Industrial Index Admiral	n/a	332,115
	Vanguard Funds	Vanguard Small Cap Index Admiral	n/a	241,453
	Principal Funds	Principal Large Cap Growth	n/a	227,796
	American funds	American Funds New Perspective R6	n/a	189,335
	Vanguard Funds	Vanguard Target Retirement 2050	n/a	163,360
	DFA	DFA Emerging Markets Core Equity	n/a	158,929
	Vanguard Funds	Vanguard REIT Index Admiral	n/a	157,012
	Vanguard Funds	Vanguard Target Retirement 2045	n/a	136,704
	Fidelity Funds	Fidelity Advisor Materials I	n/a	126,372
	BlackRock	BlackRock Health Sciences Svc	n/a	124,504
	Vanguard Funds	Vanguard Mid Cap Index Admiral	n/a	109,391
	Wells Fargo	Wells Fargo Precious Metals	n/a	89,612
	JP Morgan	JPMorgan Discipline Equity	n/a	81,130
	Vanguard Funds	Vanguard Target Retirement 2030	n/a	79,887
	Vanguard Funds	Vanguard Target Retirement Income	n/a	71,474
	Vanguard Funds	Vanguard Small Cap Growth Index Adm	n/a	63,689
	Nationwide	Nationwide Ziegler NYSE Arca Tech 100 In	n/a	55,913
	Vanguard Funds	Vanguard Short-Term Bond Index Admiral	n/a	41,965
	Vanguard Funds	Vanguard Total Bond Market Index Admiral	n/a	35,692
	Vanguard Funds	Vanguard Inflation Protected Securities	n/a	32,863
	Vanguard Funds	Vanguard Target Retirement 2040	n/a	31,808
	T. Rowe Price	T. Rowe Price Int'l Equity Index	n/a	29,538
	Vanguard Funds	Vanguard Intermediate-Term Bond Index Ad	n/a	24,818
	American funds	American Funds Capital World G & I R6	n/a	21,117
	Vanguard Funds	Vanguard Target Retirement 2035	n/a	13,645
	Fidelity Funds	Fidelity Spartan 500 Index Adv	n/a	12,168
	MFS	MFS Utilities A	n/a	7,881
	Vanguard Funds	Vanguard Target Retirement 2025	n/a	3,419
	Vanguard Funds	Vanguard Target Retirement 2060	n/a	2,259
	Vanguard Funds	Vanguard Target Retirement 2015	n/a	192
	Vanguard Funds	Vanguard Energy Admiral	n/a	166
	Vanguard Funds	Vanguard Target Retirement 2055	n/a	17
	Vanguard Funds	Vanguard Money Market Prime	n/a	12
	Participant Loans	Participant installment loans notes receivable, with various maturity dates, not exceeding 60 months, with interest at 10%, collateralized by the participant's vested fund balance	n/a	404,182
	Total			\$ 9,664,904

Multiple-Employer Plan Participating Employer Information

Harbor America 401(k) Plan Plan # 001		EIN # 01-0738710
(a) Name of participating employer	(b) EIN	(c) Percent of Total Contributions
31-3107	04-xxxxxxx	0.86%
31-1800	75-xxxxxxx	3.64%
31-7010	76-xxxxxxx	0.48%
46-1005	62-xxxxxxx	0.27%
31-7022	76-xxxxxxx	0.55%
31-4058	73-xxxxxxx	1.94%
31-1080	76-xxxxxxx	0.41%
31-3010	16-xxxxxxx	14.00%
31-3224	20-xxxxxxx	0.88%
34-5003	20-xxxxxxx	0.48%
31-3133	74-xxxxxxx	0.31%
31-1563	74-xxxxxxx	0.24%
41-2006	76-xxxxxxx	1.06%
31-4060	73-xxxxxxx	0.48%
Harbor America Holdings, Inc.	75-xxxxxxx	40.20%
31-4081	20-xxxxxxx	1.81%
41-2007	74-xxxxxxx	4.57%
38-1030	45-xxxxxxx	10.68%
31-1817	74-xxxxxxx	7.59%
31-1190	74-xxxxxxx	0.07%
41-2018	74-xxxxxxx	8.94%
38-1061	47-xxxxxxx	0.47%
31-1738	94-xxxxxxx	0.00%
34-4001	86-xxxxxxx	0.10%

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

HARBOR AMERICA 401K PLAN

PLAN # 001

EIN #: 01- 0738710

(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
	DFA	DFCEX - DFA Emerging Markets Core Equity		158,929
	Wells Fargo	EKWAX - Wells Fargo Precious Metals		89,612
	Fidelity	FMFEX - Fidelity Advisor Materials I		126,372
	Fidelity	FUSVX - Fidelity Spartan 500 Index Adv		12,168
	JPMorgan	JPIEX - JPMorgan Discipline Equity		81,130
	MFS	MMUFX - MFS Utilities A		7,881
	Nationwide	NWJCX - Nationwide Ziegler NYSE Arca Tech 100 In		55,913
	T Rowe Price	PIEQX - T_ Rowe Price Int'l Equity Index		29,538
	Principal	PLGIX - Principal Large Cap Growth		227,796
	Federated	POIXX - Federated Prime Obligation Fund		-
	American Funds	RERGX - American Funds EuroPacifc R6		375,720
	American Funds	RNPGX - American Funds New Perspective R6		189,335
	American Funds	RWIGX - American Funds Capital World G & I R6		21,117
	BlackRock	SHISX - BlackRock Health Sciences Svc		124,504
	Vanguard	VAIPX - Vanguard Inflation Protected Securities		32,863
	Vanguard	VBILX - Vanguard Intermediate-Term Bond Index Ad		24,818
	Vanguard	VBIRX - Vanguard Short-Term Bond Index Admiral		41,965
	Vanguard	VBTLX - Vanguard Total Bond Market Index Admiral		35,692
	Vanguard	VFFVX - Vanguard Target Retirement 2055		17
	Vanguard	VFIFX - Vanguard Target Retirement 2050		163,360
	Vanguard	VFORX - Vanguard Target Retirement 2040		31,808
	Vanguard	VGELX - Vanguard Energy Admiral		166
	Vanguard	VGSLX - Vanguard REIT Index Admiral		157,012
	Vanguard	VIMAX - Vanguard Mid Cap Index Admiral		109,391
	Vanguard	VINAX - Vanguard Industrial Index Admiral		332,115
	Vanguard	VMFXX - Vanguard Federal Money Market		1,350,974
	Vanguard	VMMXX - Vanguard Money Market Prime		12
	Vanguard	VSGAX - Vanguard Small Cap Growth Index Adm		63,689
	Vanguard	VSGBX - Vanguard Short-Term Fed		-
	Vanguard	VSGDX - Vanguard Short-Term Federal Admiral		1,487,150
	Vanguard	VSMAX - Vanguard Small Cap Index Admiral		241,453
	Vanguard	VTHRX - Vanguard Target Retirement 2030		79,887
	Vanguard	VTINX - Vanguard Target Retirement Income		71,474
	Vanguard	VTIVX - Vanguard Target Retirement 2045		136,704
	Vanguard	VTMAX - Vanguard Total Stock Market Index Admira		3,380,641
	Vanguard	VTTHX - Vanguard Target Retirement 2035		13,645
	Vanguard	VTTX - Vanguard Target Retirement 2060		2,259
	Vanguard	VTTVX - Vanguard Target Retirement 2025		3,419
	Vanguard	VTXVX - Vanguard Target Retirement 2015		192
	Participant Loan	4.25% - 4.50%		404,182