

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>HERITAGE HR LLC 401(K) PROFIT SHARING PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>01/01/2011</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>HERITAGE HR, LLC</u> <u>16934 FRANCES STREET</u> <u>SUITE 200</u> <u>OMAHA, NE 68130</u>	2b	Employer Identification Number (EIN) <u>27-4058667</u>
		2c	Plan Sponsor's telephone number <u>402-933-2561</u>
		2d	Business code (see instructions) <u>623000</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.	10/13/2017	NATHAN UNDERWOOD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2017	NATHAN UNDERWOOD
	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 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 491
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) 454 6a(2) 474 6b 1 6c 75 6d 550 6e 0 6f 550 6g 336 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: 2F 2G 2J 2K 2T 3D 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ 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 HERITAGE HR LLC 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HERITAGE HR, LLC	D Employer Identification Number (EIN) 27-4058667

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)

NEWPORT GROUP, INC.

27-2037969

(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 64	RECORDKEEPER	27552	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

BAM ADVISOR SERVICES

8182 MARYLAND AVE SUITE 500
ST. LOUIS, MO 63105

(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 27	INVESTMENT ADVISOR	13895	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 ☐

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

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

a Name:	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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> 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>HERITAGE HR LLC 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>HERITAGE HR, LLC</u>	D Employer Identification Number (EIN) <u>27-4058667</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>AMERICAN BALANCED FUND</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>AMERICAN CENTURY HERITAGE</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>ASTON/FAIRPOINTE MID CAP FUND</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>500 INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DFA INFLATION-PROTECTED SEC</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DFA US TARGETED VALUE FUND</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIDELITY CONTRAFUND</u>		
b Name of sponsor of entity listed in (a): <u>JOHN HANCOCK USA</u>		
c EIN-PN <u>01-0233346-000</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0

a Name of MTIA, CCT, PSA, or 103-12 IE: HIGH YIELD FUND**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JOHN HANCOCK STABLE VAL**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH LS AGG ACTIVE STRATEGY**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH L BAL ACTIVE STRATEGY**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH LS CON ACTIVE STRATEGY**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH LS GROW ACTIVE STRATEGY**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH LS MOD ACTIVE STRATEGY**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP INDEX FUND**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO TOTAL RETURN**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2055 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2050 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2045 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2040 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2035 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2030 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2025 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2020 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: JH RET TO 2010 MANAGED PORT**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE SML CAP VAL**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: THE GROWTH FUND OF AMERICA**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [VANGUARD SMALL CAP GROW INDEX](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [INTL EQUITY INDEX FUND](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [IVY ASSET STRATEGY FUND](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [JOHN HANCOCK DISCIPLINED VALUE](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
--	--	---

a Name of MTIA, CCT, PSA, or 103-12 IE: [INTL EQUITY INDEX FUND](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
--	--	---

a Name of MTIA, CCT, PSA, or 103-12 IE: [IVY ASSET STRATEGY FUND](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
--	--	---

a Name of MTIA, CCT, PSA, or 103-12 IE: [JOHN HANCOCK DISCIPLINED VALUE](#)

b Name of sponsor of entity listed in (a): [JOHN HANCOCK USA](#)

c EIN-PN 01-0233346-000	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
--	--	---

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

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

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

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

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

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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>HERITAGE HR LLC 401(K) PROFIT SHARING 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>HERITAGE HR, LLC</u>	D Employer Identification Number (EIN) <u>27-4058667</u>	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	9578	84496
(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)	1683059	2467152
(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	1692637	2551648

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		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1692637	2551648
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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)	299463	
(B) Participants	2a(1)(B)	474703	
(C) Others (including rollovers)	2a(1)(C)	16586	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		790752
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)	1720	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1720
(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)	65357	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		65357
(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)		
(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)		

		(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)		140421
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		998250

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	97792	
(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)		97792
f Corrective distributions (see instructions)	2f		
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)	27552	
(3) Investment advisory and management fees.....	2i(3)	13895	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		41447
j Total expenses. Add all expense amounts in column (b) and enter total	2j		139239

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		859011
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ 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: LUTZ & COMPANY, P.C. (2) EIN: 47-0625816

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			
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)

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>HERITAGE HR LLC 401(K) PROFIT SHARING 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>HERITAGE HR, LLC</u>	D Employer Identification Number (EIN) <u>27-4058667</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>27-4411131</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
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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
----------------	---

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 / / .	

Heritage HR LLC 401(k) Profit Sharing Plan

Financial Statements and Independent Auditors' Report

December 31, 2016 and 2015



Heritage HR LLC 401(k) Profit Sharing Plan

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Note: Schedules required by the Employee Retirement Income Security Act of 1974 that have not been included herein are not applicable.

INDEPENDENT AUDITORS' REPORT

Plan Administrator
Heritage HR LLC 401(k) Profit Sharing Plan
Omaha, Nebraska

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Heritage HR LLC 401(k) Profit Sharing Plan (the 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.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's 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 or provided by Newport Trust Company, the current custodian of the Plan, and John Hancock Life Insurance Company, the former custodian of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the plan administrator that the custodians hold the Plan's assets and execute transactions. The plan administrator has obtained certifications from the current custodian as of December 31, 2016 and 2015, for the year ended December 31, 2016, and for the period from October 8, 2015 to December 31, 2015, and from the former custodian for the period from January 1, 2015 to October 8, 2015, that the information provided to the plan administrator by the custodians is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental information as of and for the year ended 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 purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental information.

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

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

Lutz & Company, P.C.

October 11, 2017

Heritage HR LLC 401(k) Profit Sharing Plan

Statements of Net Assets Available for Benefits

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Investments at Fair Value (Notes 3 and 4)	\$ 2,467,152	\$ 1,683,059
Notes Receivable from Participants (Note 3)	84,496	9,578
NET ASSETS AVAILABLE FOR BENEFITS	\$ 2,551,648	\$ 1,692,637

See Notes to Financial Statements.

Heritage HR LLC 401(k) Profit Sharing Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment Income (Notes 3 and 4)		
Net Appreciation in Fair Value of Investments	\$ 140,421	\$ -
Interest and Dividends from Investments	65,357	29,755
Total Investment Income	205,778	29,755
Interest Income on Notes Receivable from Participants (Note 3)	1,720	51
Contributions		
Employer	299,463	179,110
Participant	474,703	307,334
Rollovers	16,586	241
Total Contributions	790,752	486,685
Assets Transferred to the Plan (Note 9)	-	483,952
Total Additions	998,250	1,000,443
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Net Depreciation in Fair Value of Investments (Notes 3 and 4)	-	63,946
Benefits Paid Directly to Participants	97,792	124,687
Administrative Expenses	41,447	2,436
Total Deductions	139,239	191,069
NET INCREASE	859,011	809,374
Net Assets Available for Benefits, Beginning of Year	1,692,637	883,263
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 2,551,648	\$ 1,692,637

See Notes to Financial Statements.

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

1. Plan Description

The following brief description of the Heritage HR LLC 401(k) Profit Sharing Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was established to provide retirement benefits for the employees of College View Operating, LLC, Fox Run Assisted Living Operating, LLC, Heritage Pointe Operating, LLC, Heritage Ridge Operating, LLC, Meridian Gardens Operating, LLC, NHAO, LLC, NHI, LLC, Orchard Pointe Operating, LLC and Shalimar Gardens, LLC (collectively the Companies). Effective October 5, 2015, Heritage Management Services, Inc. became a participating employer (See Note 9). Effective January 1, 2016, Heritage at Sterling Ridge Operating, LLC, Heritage at Legacy Operating, LLC, and Orchard Pointe at Arrowhead Operating, LLC became participating employers.

Effective October 1, 2015, employees were eligible to make salary reduction contributions and receive employer matching contributions after attaining 21 years of age and completing 90 days of service. Eligible employees may become a participant as of the earlier of the first day of the fourth month of the Plan year or the first day of the tenth month of the Plan year on which entry requirements are fulfilled.

Prior to October 1, 2015, employees were eligible to make salary reduction contributions and receive employer matching contributions after attaining 21 years of age and completing one year with 1,000 hours of service. Eligible employees could become a participant as of the earlier of the first day of the Plan year or the first day of the seventh month of the Plan year on which entry requirements are fulfilled.

Contributions

Participants may contribute up to the maximum dollar limit allowable by law of pre-tax or Roth after-tax contributions (effective January 1, 2016) based on annual eligible compensation in connection with the 401(k) provisions of the Plan. Participants may also contribute amounts representing distributions from other qualified plans.

Effective January 1, 2016, the Companies' matching contributions were removed, and the Plan became a "Safe Harbor 401(k) Plan", whereby the Companies make safe harbor contributions. The Companies' safe harbor contributions are made in amounts equal to 100% of each participant's elective deferrals up to 3% of the participant's eligible compensation, plus 50% of each participant's elective deferrals between 3% and 5% of the participant's eligible compensation.

Prior to January 1, 2016, the Companies' matching contributions were made in amounts equal to 100% of each participant's elective deferrals up to 3% of the participant's eligible compensation.

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

All participants who are eligible to make deferral contributions and who are projected to attain age 50 before the close of the calendar year are eligible to make catch-up contributions. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of a) the Companies' matching contributions and, b) Plan earnings or losses. The Companies' matching contributions are allocated among participants based upon each eligible participant's elected salary deferral. Plan earnings or losses are allocated on the basis of actual results of the investments selected by each participant. Effective October 8, 2015, investments are maintained in individual member accounts managed by Newport Trust Company, formerly known as Verisight Trust Company (Newport). Prior to October 8, 2015, investments were maintained in individual member accounts managed by John Hancock Life Insurance Company (John Hancock).

Vesting

Participants are 100% vested in their own contributions and the Companies' contributions plus actual earnings thereon.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The notes are secured by the balance in the participant's account and bear interest at the prime rate as published in the Wall Street Journal on the 14th of each month, plus two percentage points. Loans must be repaid through payroll deductions within five years unless the loan is used for the purchase of a principal residence in which case the loan must be repaid within thirty years.

Payment of Benefits

Upon termination, retirement, disability, hardship, or death, the participant or beneficiary may elect to receive a lump sum, or in certain instances installment payments, equal to the value of the vested funds allocated to the participant's account. Benefits are recorded when paid.

The Plan requires mandatory distribution of payments equal to or less than \$5,000 be paid out to the participant in the event that the participant did not elect a payout option. The Plan also requires automatic rollover into an Individual Retirement Account for payments between \$1,000 and \$5,000 in the event that the participant did not elect a payout option.

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth on the following page.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

Presentation of Participant-Directed Funds

The Plan's presentation of participant-directed investments is in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 962, *Plan Accounting – Defined Contribution Pension Plans*.

Use of Estimates

The preparation of financial statements in conformity 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.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to buy or sell an investment in an orderly transaction between market participants at the measurement date. See Note 4 for further 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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

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

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.

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

Other

Certain expenses of maintaining the Plan are paid directly by the Companies and are excluded from these financial statements. Fees related solely to a specific participant may be charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of net assets available for benefits date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through October 11, 2017, noting no items requiring disclosure.

3. Information Certified by Newport and John Hancock

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Newport and John Hancock, except for comparing such information certified by the custodians to information included in the Plan's financial statements and supplemental information.

The following table presents the fair value of the participant-directed investments in this Plan that were certified by Newport and John Hancock as of December 31:

	<u>2016</u>	<u>2015</u>
Investments at Fair Value	\$ 2,467,152	\$ 1,683,059
Notes Receivable from Participants	\$ 84,496	\$ 9,578

Newport and John Hancock also certified to the completeness and accuracy of the following related to the aforementioned investments for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 140,421	\$ (63,946)
Interest and Dividends from Investments	65,357	29,755
Net Investment Income (Loss)	\$ 205,778	\$ (34,191)
Interest Income on Notes Receivable from Participants	\$ 1,720	\$ 51

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

4. Fair Value Measurements

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

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

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's 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.

The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2016 and 2015:

Mutual Funds and Money Market Funds: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end 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 funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

The following table presents by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 2,455,500	\$ -	\$ -	\$ 2,455,500
Money Market Account	11,652	-	-	11,652
Total	<u>\$ 2,467,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,467,152</u>

The following table presents by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 1,678,567	\$ -	\$ -	\$ 1,678,567
Money Market Account	4,492	-	-	4,492
	<u>\$ 1,683,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,683,059</u>

5. Tax Status

The Plan is qualified as a profit sharing plan under Section 401(a) of the Internal Revenue Code and is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code.

The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authority. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

6. Plan Termination

Although it has not expressed any intent to do so, the Companies have the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions of ERISA. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed as soon as practicable after the termination date.

Heritage HR LLC 401(k) Profit Sharing Plan

Notes to Financial Statements

December 31, 2016 and 2015

7. Related Party Transactions

Certain Plan investments were pooled separate accounts managed by John Hancock. John Hancock was the custodian of the Plan through October 8, 2015, and therefore, these transactions qualify as party-in-interest transactions.

8. Transfer of Plan Assets

Effective October 5, 2015, the Companies merged the plan assets from the Heritage Management Services (HMS) 401(k) Plan into the Plan. As a result, net assets available for benefits totaling \$483,952 related to participant accounts of employees of HMS were received by the Plan on October 5, 2015.

9. Custodian Change

Effective October 8, 2015, Newport was appointed as the new trustee and custodian of the Plan. Plan assets transferred to Newport were transferred into funds comparable, where available, to those offered by John Hancock. The conversion initiated a "Black Out" period beginning September 28, 2015 and continued through October 19, 2015. During this period, funds could not be applied to the employee selected funds with Newport or withdrawn from the Plan until Newport had time to accurately complete the conversion. During the period, employee contributions continued to be made through payroll deductions and the contributions were wired to Newport and held in a trust account until the completion of the Black Out period, at which time these funds were invested in funds comparable to those offered by John Hancock.

SUPPLEMENTAL INFORMATION

Heritage HR LLC 401(k) Profit Sharing Plan

Schedule of Assets (Held at End of Year) – Schedule H – Item 4i

Year Ended December 31, 2016

Employer Identification Number 27-4058667
Plan Number 001

	<u>Description of Investment</u>	<u>Cost</u>	<u>Current Value</u>
<u>NEWPORT GROUP, INC.</u>			
DFA Five-Year Global Fixed-Income I	Mutual Fund	** \$	590,359
DFA US Large Cap Growth Instl	Mutual Fund	**	300,160
DFA US Large Cap Value III	Mutual Fund	**	302,157
DFA US Targeted Value I	Mutual Fund	**	281,509
DFA Large Cap International I	Mutual Fund	**	241,847
DFA Inflation-Protected Securities I	Mutual Fund	**	145,424
Vanguard Mid-Cap Growth Index Admiral	Mutual Fund	**	127,102
DFA US Small Cap Growth Instl	Mutual Fund	**	126,914
DFA International Small Company I	Mutual Fund	**	126,539
DFA Emerging Markets Core Equity I	Mutual Fund	**	103,662
Vanguard REIT Index Adm	Mutual Fund	**	80,550
DFA International Real Estate Sec I	Mutual Fund	**	28,232
Vanguard Short-Term Infl-Prot Sec Idx Adm	Mutual Fund	**	1,045
TD Bank Institutional Money Market	Money Market Account	**	11,652
* Notes Receivable from Participants	4.25% - 5.50%	**	84,496
Total Investment Assets			\$ 2,551,648

*Indicates party-in-interest

**Cost information is not required for participant-directed investments.

Lutz

Heritage HR LLC 401(k) Profit Sharing Plan

Schedule of Assets (Held at End of Year) – Schedule H – Item 4i

Year Ended December 31, 2016

Employer Identification Number 27-4058667
Plan Number 001

	<u>Description of Investment</u>	<u>Cost</u>	<u>Current Value</u>
<u>NEWPORT GROUP, INC.</u>			
DFA Five-Year Global Fixed-Income I	Mutual Fund	** \$	590,359
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TD Bank Institutional Money Market	Money Market Account	**	11,652
* Notes Receivable from Participants	4.25% - 5.50%	**	84,496
Total Investment Assets			\$ 2,551,648

*Indicates party-in-interest

**Cost information is not required for participant-directed investments.

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For the plan year beginning **01/01/2016** and ending **12/31/2016**

Heritage HR LLC 401(k) Profit Sharing Plan

Three-digit plan number	▶	001
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Heritage HR LLC 401(k) Profit Sharing Plan

Report to the Plan Administrator

October 11, 2017



Plan Administrator
Heritage HR LLC 401(k) Profit Sharing Plan
Omaha, Nebraska

We are pleased to present this report related to our audit of the financial statements of Heritage HR LLC 401(k) Profit Sharing Plan for the year ended December 31, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Plan's financial reporting process.

This report is intended solely for the information and use of the Plan Administrator and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to you and the Plan.

Lutz & Company, P.C.

October 11, 2017

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Required Communications

Summary of Uncorrected Misstatements

Exhibit A – Letter Communicating Significant Deficiencies and Material Weaknesses

Exhibit B – Certain Written Communications Between Management and Our Firm

Representation Letter

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated April 19, 2017.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Plan.</p> <p>The Plan did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates</p> <p>The Plan's financial statements do not include any accounting estimates.</p>

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us at the beginning of our audit.
Uncorrected Misstatements	Uncorrected misstatements are summarized in the attached "Summary of Uncorrected Misstatements".
Other Information in Documents Containing Audited Financial Statements	<p>Our responsibility for other information in documents containing the Plan's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the Plan's Form 5500 filing for consistency with information in the financial statements. We have provided our comments to management. We are not aware of any other documents that contain the audited financial statements.</p> <p>With respect to the supplemental information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the method of preparing it had not changed from the prior period, and the information is appropriate and complete in relation to the financial statements as a whole. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements, or to the financial statements themselves.</p>
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Area	Comments
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Letter Communicating Significant Deficiencies and Material Weaknesses	A copy of the letter communicating significant deficiencies and material weaknesses identified during our audit of the financial statements is attached as Exhibit A.
Material Written Communications Between Management and Our Firm	Copies of material written communications between our firm and the management of the Plan, including the representation letter provided to us by management, are attached as Exhibit B.

Heritage HR LLC 401(k) Profit Sharing Plan
Summary of Uncorrected Misstatements
Year Ended December 31, 2016

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements. These uncorrected misstatements are summarized as follows:

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Income	Expense
<u>PRIOR CARRYOVER IMPACT</u>					
To record carryover impact of prior year entries	\$ -	\$ -	\$ -	\$ 7,449	\$ -
<u>CURRENT YEAR MISSTATEMENTS</u>					
To exclude deferrals on auto allowance		4,503	(4,503)	(4,503)	-
Total Effect				\$ 2,946	\$ -
Total Net Asset Effect	\$ -	\$ 4,503	\$ (4,503)		

Exhibit A – Letter Communicating Significant Deficiencies and Material Weaknesses

To the Plan Administrator
Heritage HR LLC 401(k) Profit Sharing Plan

Our audit was performed in accordance with auditing standards generally accepted in the United States of America. In planning and performing our audit of the financial statements of Heritage HR LLC 401(k) Profit Sharing Plan (the Plan) as of and for the year ended December 31, 2016, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

- **Significant Deficiency #1** – The Plan utilizes its auditors to provide assistance in preparing its year-end financial statements and related footnotes in conformity with accounting standards generally accepted in the United States of America as part of the annual audit. Traditionally, this is beneficial from a cost and time perspective since it has not been necessary for the Company to prepare a full set of financial statements with related footnotes more than annually. However, this limits the Company's ability to regularly monitor whether or not its financial statements with related footnotes are in conformity with accounting standards generally accepted in the United States of America.

Suggestion for Improvement – No economical suggestion currently exists.

- **Significant Deficiency #2** – There are inconsistencies between the Plan’s adoption agreement and current year participant activity. The Plan improperly included certain fringe benefits in eligible compensation during 2016, while attempting to remedy a control deficiency from the 2015 audit. Per the adoption agreement, all fringe benefits should be excluded from eligible compensation.

Suggestion for Improvement – The Plan should exclude fringe benefits from eligible compensation or amend the adoption agreement to allow fringe benefits to be deferred on.

Following are descriptions of identified control deficiencies and general comments that we determined did not constitute a significant deficiency or material weakness:

- **Control Deficiency #1** – During testing it was noted gift cards are included in eligible compensation. However, due to the nature of gift cards the Plan is unable to properly defer on the gift cards as they are given to employees ahead of time. This specifically affects participants who elect to defer 100% of their eligible compensation.

Suggestion for Improvement – The Plan should consider amending the adoption agreement to exclude gift cards from eligible compensation.

- **Control Deficiency #2** – The Plan does not have a retirement plan committee. The purpose of a retirement plan committee is to assist the Plan Sponsor with guidance and oversight of the Plan’s operations, including its investment policy, plan mergers, and custodian changes. One way a retirement plan committee can achieve this purpose is through holding regular meetings, as it is important that the committee adequately documents the due diligence it exercises over Plan operations.

Suggestion for Improvement – The Plan should consider forming a retirement plan committee that holds regular, documented meetings.

- **Control Deficiency #3** – The Plan’s investment policy is not formally documented. The purpose of an investment policy is to assist the Plan Sponsor in selecting, monitoring, and evaluating the Plan’s investment options based on long-term investment market trends and changes in employee demographics.

Suggestion for Improvement – The Plan should consider creating a written investment policy.

- **Control Deficiency #4** – The Plan is not specifically named in the fidelity bond policy as of December 1, 2016. The primary purpose of the fidelity bond is to protect the Plan against fraud or dishonesty (such as embezzlement from the Plan). Therefore, the Plan must be the named insured party. A fidelity bond is required for a plan by ERISA Section 412. Employee dishonesty policies meet the bonding requirement; however, the Plan should be the named insured either in addition to or in lieu of the employer.

Suggestion for Improvement – The Plan should be specifically named in the fidelity bond policy as of December 1, 2016 (consult with the Plan's insurance provider to ensure the Plan is properly insured).

This communication is intended solely for the information and use of the plan administrator, management, and others within the Plan, and is not intended to be and should not be used by anyone other than these specified parties.

Lutz & Company, P.C.

October 11, 2017

Exhibit B – Certain Written Communications Between Management and Our Firm



Living better

16934 Frances Street | Omaha, Nebraska 68130
402-933-2561 | heritage-communities.com

October 11, 2017

Lutz & Company, P.C.
13616 California Street, Suite 300
Omaha, NE 68154-5336

This representation letter is provided in connection with your audits of the financial statements of Heritage HR LLC 401(k) Profit Sharing Plan (the 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.

We have determined that the plan custodian, Newport Trust Company, qualifies to issue a certification of the Plan's asset activity under section 2520.103-5 of the Department of Labor's (DOL)'s Rules and Regulations. Therefore, as permitted by Regulation 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), we have instructed you not perform any auditing procedures with respect to asset information certified or provided by Newport Trust Company other than comparing that information with the related information included in the financial statements and supplemental information. Because of the significance of the information which you did not audit, we understand that you will not express an opinion on the financial statements and supplemental information as a whole.

We confirm, to the best of our knowledge and belief that as of October 11, 2017:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 19, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.

In that regard, we are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. The methods and significant assumptions used to determine fair values of the financial instruments are as follows:

Mutual Funds: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-end 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 funds held by the Plan are deemed to be actively traded.

5. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the *Risks and Uncertainties* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have been properly recorded and/or disclosed in the financial statements. Significant estimates are estimates at the statement of net assets date that could change materially within the next year. Concentrations refer to nature and type of investments held by the Plan, or markets in which events could occur that would significantly disrupt normal finances within the next year.
6. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Transactions with parties-in-interest, as defined in ERISA Section 3(14) and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. We have no intention to terminate the Plan.
11. We have properly reported and disclosed amendments to the plan instrument, if any.

12. As of and for the year ended December 31, 2016 we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Income	Expense
<u>PRIOR CARRYOVER IMPACT</u>					
To record carryover impact of prior year entries	\$ -	\$ -	\$ -	\$ 7,449	\$ -
<u>CURRENT YEAR MISSTATEMENTS</u>					
To exclude deferrals on auto allowance		4,503	(4,503)	(4,503)	-
Total Effect				\$ 2,946	\$ -
Total Net Asset Effect	\$ -	\$ 4,503	\$ (4,503)		

Supplementary Information

13. With respect to supplemental information:
- We acknowledge our responsibility for the presentation of such information.
 - We believe such information, including its form and content, is fairly presented in accordance with DOL Rules and Regulations for reporting and disclosure under ERISA.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information:
 - We will only present the supplemental information together with the audited financial statements and auditor's report thereon and will not separate the supplementary information from the audited financial statements and auditor's report thereon in any document that contains such information.

Information Provided

14. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
- b. Additional information that you have requested from us for the purpose of the audit;
- c. Unrestricted access to persons within the plan from whom you determined it necessary to obtain audit evidence.
- d. The currently effective version of the Plan document, including prototype plan document and adoption agreement, the trust agreement or insurance contracts and all related amendments. The Plan was most recently amended and effective as of January 1, 2016.
- e. All correspondence, filings, reports, and determinations with the Internal Revenue Service (IRS) and the DOL relating to the Plan's compliance with ERISA and the maintenance of its tax-exempt status.
- f. All Plan financial records and related data. In that regard, the payroll information we provided you covered all employees that were eligible to participate in the Plan.
- g. All minutes of the meetings of the Plan's governance or summaries of actions of recent meetings for which minutes have not yet been prepared.

15. All transactions have been recorded in the accounting records and are reflected in the financial statements.

16. The Sponsor's management designated an individual with sufficient skills, knowledge, and experience to oversee the financial statement preparation process and to take responsibility for the results of the financial statement preparation services. This individual performed a detailed review of the financial statements consisting of the following procedures:

- a. Reconciliation of the general ledger accounts, trust activity, and participant statements to the financial statements.
- b. Review and approval of all journal entries proposed by you, including review of supporting documentation and explanations.
- c. Review the adequacy of financial statement disclosure by review and approval of the disclosure checklist completed by you.
- d. Review and approval of schedules and calculations supporting the amounts included in the notes to the financial statements.
- e. Applying analytical procedures to financial statements.

17. We have disclosed to you the results of our assessment of risk that the financial statement may be materially misstated as a result of fraud.

18. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:

- a. Management or employees who have significant roles in the internal control.
- b. Others where the fraud could have a material effect on the financial statements.

19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
20. We have disclosed to you the identity of the entity's related parties and parties in interest and all the related-party and party in interest relationships and transactions of which we are aware.
21. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Plan's ability to record, process, summarize, and report financial data.
22. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
23. The Plan has satisfactory title to all owned assets which are recorded at fair value, and all liens, encumbrances, or security interests have been properly disclosed.
24. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and neither we, nor the Plan Sponsor, or others acting on behalf of the Plan, have consulted a lawyer concerning litigation and claims or other matters affecting the Plan.
25. We have answered your questions about the Plan's tax compliance to the best of our knowledge and belief.
26. There have been no communications, whether written or oral, from regulatory agencies concerning non-compliance or deficiencies in the operation of the plan.
27. We have complied with (a) all aspects of contractual agreements, including provisions of the Plan, that would have a material effect on the financial statements in the event of noncompliance, (b) the fidelity bonding requirements of ERISA, (c) all participant eligibility and coverage requirements of the Plan, ERISA and the Internal Revenue Code (IRC), and (d) the filing requirements of appropriate agencies.
28. We have complied with the Department of Labor's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the plan.
29. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
30. The Plan is qualified under the appropriate section of the IRC and intends to continue as a qualified Plan.
31. We have reviewed the complementary user entity control considerations of the Service Organization Controls (SOC 1) Report for Newport Trust Company dated December 5, 2016, for the period ended September 30, 2016 and the bridge letter dated January 9, 2017 for the period October 1, 2016 to December 31, 2016 and we believe all applicable controls are in place.
32. There are no:
 - a. Nonexempt (prohibited) party-in-interest transactions that were not disclosed in the financial statements or supplemental information.

- b. Participant loans or other receivables or investments in default or considered to be uncollectible that were not disclosed in the financial statements or supplemental information.
 - c. Reportable transactions that were not disclosed in the supplemental information.
33. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



Nate Underwood
Plan Administrator, CFO



Date