# 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

**2017**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ___

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
HANLEY WOOD 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/1990

**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)

HW MANAGEMENT, INC.

ONE THOMAS CIRCLE NW
SUITE 600
WASHINGTON, DC 20005

**2b** Employer Identification Number (EIN)
80-0956936

**2c** Plan Sponsor's telephone number
202-452-0800

**2d** Business code (see instructions)
511120

**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. | 10/11/2018 | JOANN BRITT |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/11/2018 | JOANN BRITT |
| | **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 |

**3a** Plan administrator's name and address [X] Same as Plan Sponsor

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 880 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 664 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 660 |
| **b** Retired or separated participants receiving benefits | **6b** | 1 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 220 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 881 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 881 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 881 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 12 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2J 2K 3D 2G 2T 2S

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
HANLEY WOOD 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HW MANAGEMENT, INC.

**D** Employer Identification Number (EIN)
80-0956936

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 06-1050034 | 93629 | 041204 | 881 | 01/01/2017 | 12/31/2017 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| 0 | 0 |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 5851499 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 5262318 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| b | Premiums paid to carrier | 6b | |
| c | Premiums due but unpaid at the end of the year | 6c | |
| d | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | 6d | |

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 5131660 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 501807 | | |
| | (2) Dividends and credits | 7c(2) | | | |
| | (3) Interest credited during the year | 7c(3) | 102898 | | |
| | (4) Transferred from separate account | 7c(4) | 96608 | | |
| | (5) Other (specify below) | 7c(5) | 996522 | | |
| | ▶ FORFEITURE CREDITS,TRANSFERS IN LOAN REPAYMENTS MISC. IN | | | | |
| | (6)Total additions | | | 7c(6) | 1697835 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**). | | | 7d | 6829495 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 267987 | | |
| | (2) Administration charge made by carrier | 7e(2) | 125 | | |
| | (3) Transferred to separate account | 7e(3) | 29470 | | |
| | (4) Other (specify below) | 7e(4) | 680414 | | |
| | ▶ FORF. DR.,TRANSFERS OUT LOAN INITIATIONS MISC. OUT | | | | |
| | (5) Total deductions | | | 7e(5) | 977996 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 5851499 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

**a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
**e** ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
**i** ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
**m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. | | | **10b** | |

Specify nature of costs.

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2017**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
HANLEY WOOD 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HW MANAGEMENT, INC.

**D** Employer Identification Number (EIN)
80-0956936

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

**(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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

| (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? |
|---|---|---|---|---|---|---|
| 13 15 37 50 64 | NONE | 144770 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

KESTRA ADVISORY SERVICES

35-2552359

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | NONE | 47618 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

NFP SECURITIES, INC.

74-2794194

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | NONE | 14642 | Yes [ ] No [X] | 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 |
|---|---|---|
| THE PRUDENTIAL INSURANCE COMPANY OF | 15 60 64 | 0 |

| **(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. |
|---|---|
| PRUDENTIAL INVESTMENTS, LLC<br><br>22-3468527 | 22.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2017 TO 12/31/2017 PRU HIGH YLD A |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| THE PRUDENTIAL INSURANCE COMPANY OF | 15 60 64 | 0 |

| **(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. |
|---|---|
| PRUDENTIAL INVESTMENTS, LLC<br><br>22-3468527 | 22.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2017 TO 12/31/2017 PRU JENNISON EQUITY INC Z |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| THE PRUDENTIAL INSURANCE COMPANY OF | 15 60 64 | 0 |

| **(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. |
|---|---|
| PRUDENTIAL INVESTMENTS, LLC<br><br>22-3468527 | 22.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2017 TO 12/31/2017 PRU TOTAL RETURN BOND Z |

## 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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
HANLEY WOOD 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
HW MANAGEMENT, INC.

**D** Employer Identification Number (EIN)
80-0956936

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T.ROWE PRICE LCG EQ IS

**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

| **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) |
|---|---|---|
| 06-1050034-828 | P | 5262318 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
HANLEY WOOD 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HW MANAGEMENT, INC.

**D** Employer Identification Number (EIN)
80-0956936

## 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) | 322305 | 479166 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 3813188 | 5262318 |
| **(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) | 30315199 | 36814462 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 5131660 | 5851499 |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 39582352 | 48407445 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 39582352 | 48407445 |

## 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) | 539125 | |
| | **(B)** Participants | 2a(1)(B) | 3376187 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 429810 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 4345122 |
| **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) | 16841 | |
| | **(F)** Other | 2b(1)(F) | 102898 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 119739 |
| | **(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) | 610646 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 610646 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 1424884 |
| (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) | | 5235551 |
| c Other income | 2c | | 62258 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 11798200 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 2765553 | |
| (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) | | 2765553 |
| 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) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 207554 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 207554 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2973107 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 8825093 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: RYANSHARKEY , LLP **(2)** EIN: 20-0298559

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

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

## Part IV Compliance Questions

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

During the plan year:

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

| | | | Yes | No | 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 | | | |

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

**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.)

# 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

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
HANLEY WOOD 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HW MANAGEMENT, INC.

**D** Employer Identification Number (EIN)
80-0956936

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-1211670

**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**

## 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): _____

---

**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):

# Hanley Wood 401(k) Plan

## Financial Statements and Supplemental Schedule

## December 31, 2017 and 2016

**Hanley Wood 401(k) Plan**

## Contents


| | |
|---|---|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements | |
| Statements of Net Assets Available for Benefits | 3 |
| Statements of Changes in Net Assets Available for Benefits | 4 |
| Notes to Financial Statements | 5 – 10 |
| Supplemental Schedule | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 11 |

RyanSharkey
CPAs + Consultants

# INDEPENDENT AUDITOR'S REPORT

To The Plan Committee
Hanley Wood 401(k) Plan
Washington, D.C.

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Hanley Wood 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on 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 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company (Prudential), the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2017 and 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

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

**Other Matter – Supplemental Schedule**

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2017, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by Prudential, 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 ERISA.

Ryan Sharkey, LLP

Reston, Virginia
October 9, 2018

## Hanley Wood 401(k) Plan

## Statements of Net Assets Available for Benefits

| As of December 31, | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| **Investments** | | |
| Investments at fair value | $ 42,076,780 | $ 34,128,387 |
| Investments at contract value | 5,851,499 | 5,131,660 |
| **Total Investments** | 47,928,279 | 39,260,047 |
| **Receivables** | | |
| Participant contributions | 89,822 | 91,225 |
| Employer contributions | 67,346 | 61,635 |
| Notes receivable from participants | 479,166 | 322,305 |
| **Total Receivables** | 636,334 | 475,165 |
| **Total Assets** | 48,564,613 | 39,735,212 |
| **Liabilities** | - | - |
| **Net Assets Available for Benefits** | $ 48,564,613 | $ 39,735,212 |

*See Notes to Financial Statements.*

## Hanley Wood 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

| Year Ended December 31, | 2017 | 2016 |
|---|---|---|
| **Additions to Net Assets Attributed to:** | | |
| **Investment Income:** | | |
| Net appreciation in fair value of investments | $ 6,722,693 | $ 1,880,981 |
| Interest and dividends | 713,544 | 624,063 |
| **Total Investment Income** | 7,436,237 | 2,505,044 |
| **Interest on Notes Receivable from Participants** | 16,841 | 12,993 |
| **Contributions:** | | |
| Participant | 3,374,784 | 3,260,144 |
| Employer | 544,836 | 466,072 |
| Rollover | 429,810 | 343,687 |
| **Total Contributions** | 4,349,430 | 4,069,903 |
| **Total Additions** | 11,802,508 | 6,587,940 |
| **Deductions from Net Assets Attributed to:** | | |
| Benefits paid to participants | 2,765,553 | 4,487,117 |
| Administrative expenses | 207,554 | 129,606 |
| **Total Deductions** | 2,973,107 | 4,616,723 |
| **Net Increase** | 8,829,401 | 1,971,217 |
| **Net Assets Available for Benefits, beginning of year** | 39,735,212 | 37,763,995 |
| **Net Assets Available for Benefits, end of year** | $ 48,564,613 | $ 39,735,212 |

*See Notes to Financial Statements.*

## Notes to Financial Statements

## NOTE 1 – PLAN DESCRIPTION

The following description of the Hanley Wood 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering employees of HW Management, Inc. (the Company). The Plan covers substantially all full-time employees of the Company, except collective bargaining employees and temporary and seasonal employees working less than 1,000 hours per year. Employees are eligible to make elective deferrals after completing three months of service. Employees are eligible to receive Company matching contributions after completion of one year of service. The Plan is subject to the provisions of ERISA.

### Contributions

Participants may contribute up to 50 percent of their pre-tax or post-tax annual compensation as defined in the Plan. Participants who have attained age of 50 before the end of the Plan year may elect to make catch-up contributions. Participants may also contribute amounts representing rollovers from other qualified plans. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate. Automatically enrolled participants have their deferral rate set at 3.00 percent of eligible compensation and their contributions invested in a designated balance fund until changed by the participant.

The Company provides a discretionary matching contribution equal to 25 percent of the participant's elective deferrals that do not exceed 6 percent of the participant's compensation.

### Participant Accounts

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

### Vesting

Participants are immediately vested in their contributions and rollover contributions, if any, plus actual earnings thereon. Vesting in the Company's matching contributions is based on years of continuous service. Participants vest ratably over four years of credited service.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to an amount equal to the lesser of $50,000 or 50 percent of their vested account balance. The notes are secured by the balance in each participant's account. The loan interest rate is 1.00 percent above the prime rate, which is commensurate with local prevailing rates as determined by the plan administrator. Loan terms range from one to five years or up to ten years for the purchase of a primary residence. Principal and interest are paid ratably through payroll deductions.

### Payment of Benefits

Upon termination of service due to death, disability, retirement or separation, a participant or his or her designated beneficiary may elect to receive a lump sum amount equal to the full value of the participant's account balance or installment payments for a fixed period not to extend beyond the participant's life expectancy. Active participants may withdraw their employee and vested company contributions under the hardship provisions as defined by the Plan. In-service distributions are also permitted for participants who become disabled or who have attained age 59 ½.

### Forfeited Accounts

As of December 31, 2017 and 2016, forfeited nonvested accounts totaled $30,830 and $12,964 respectively. These forfeitures are first used to pay administrative expenses and then used to reduce future Company contributions. Forfeitures of $0 and $32,661, were used to reduce employer matching contributions during the years ended December 31, 2017 and 2016, respectively.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

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

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts the Plan's net assets available for benefit and changes therein. Actual results could differ from these estimates.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan agreement.

**Payment of Benefits**

Benefits are recorded when paid.

**Administrative Expenses**

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

## NOTE 3 – INFORMATION CERTIFIED BY PRUDENTIAL

The following information was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Prudential:

1. Investments and notes receivable from participants reported on the statements of net assets available for benefits as of December 31, 2017 and 2016.

2. Investment activity and interest on notes receivable from participants reported on the statements of changes in net assets available for benefits for the years ended December 31, 2017 and 2016.

3. Schedule of assets (held at end of year) as of December 31, 2017.

## NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Accounting Standards Codification Topic 820-10 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 or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

## Notes to Financial Statements

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $36,814,462 | $ - | $ - | $36,814,462 |
| Investments measured at net asset value [(a)] | - | - | - | 5,262,318 |
| Investments at fair value | $ 36,814,462 | $ - | $ - | $ 42,076,780 |

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $30,315,199 | $ - | $ - | $30,315,199 |
| Investments measured at net asset value [(a)] | - | - | - | 3,813,188 |
| Investments at fair value | $ 30,315,199 | $ - | $ - | $ 34,128,387 |

[(a)] In accordance with Subtopic 820-10, pooled separate accounts that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

**Fair Value of Investments that Calculate Net Asset Value**

The following table summarizes investments measured at fair value based on NAV per share as of December 31:

| | Fair Value December 31, | | Unfunded | Redemption | Redemption |
|---|---|---|---|---|---|
| | 2017 | 2016 | Commitments | Frequency | Notice Period |
| Pooled separate accounts | $ 5,262,318 | $ 3,813,188 | n/a | Daily | Daily |

## NOTE 5 – GUARANTEED INVESTMENT CONTRACT

The Plan has a fully benefit-responsive guaranteed investment contract with Prudential, which maintains the contributions in a general account. The account is credited with earnings on underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

This contract a traditional investment contract that meets the fully benefit-responsive investment contract criteria and therefore is presented at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Generally there are not any events that could limit the ability of the Plan to transact at contract value. The plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

## NOTE 6 – TAX STATUS

The Plan has adopted a non-standardized form of prototype plan sponsored by Prudential. The prototype plan received an opinion letter from the Internal Revenue Service (IRS) stating that the form of the Plan is acceptable under Section 401 of the Internal Revenue Code (IRC) for use by employers for the benefit of their employees. The prototype plan opinion letter has been relied upon by the Plan. The plan administrator believes the Plan is designed and being operated in compliance with the applicable provisions of the IRC.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress.

## NOTE 7 – PLAN TERMINATION

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

## NOTE 8 – RISKS AND UNCERTAINTIES

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

## NOTE 9 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential, the trustee of the Plan, and therefore, these transactions qualify as party-in-interest transactions. Some fees paid by the Plan for investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. In addition, the Plan paid certain expenses related to Plan operations to other service providers. These transactions qualify as party-in-interest transactions under ERISA.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 31:

| | 2017 | 2016 |
|---|---|---|
| Net assets available for benefits, financial statements | $ 48,564,613 | $ 39,735,212 |
| Participant contributions receivable, current year | (89,822) | (91,225) |
| Employer contributions receivable, current year | (67,346) | (61,635) |
| Excess contributions refundable, current year | - | - |
| Net assets available for benefits, Form 5500 | $ 48,407,445 | $ 39,582,352 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31:

| | 2017 | 2016 |
|---|---|---|
| Change in net assets available for benefits, financial statements | $ 8,829,401 | $ 1,971,217 |
| Participant contributions receivable, prior year | 91,225 | 85,303 |
| Employer contributions receivable, prior year | 61,635 | 57,141 |
| Participant contributions receivable, current year | (89,822) | (91,225) |
| Employer contributions receivable, current year | (67,346) | (61,635) |
| Excess contributions refundable, prior year | - | (100,811) |
| Change in net assets available for benefits, Form 5500 | $ 8,825,093 | $ 1,859,990 |

## NOTE 11 – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued.

# SUPPLEMENTAL SCHEDULE

**Hanley Wood 401(k) Plan**
**EIN: 80-0956936 Plan Number: 002**
**Schedule H, Line 4i – Schedule of Assets (Held at End of Year)**
**December 31, 2017**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| | Vanguard 500 Index Admiral Fund | Mutual Funds | $ 6,602,596 |
| * | Prudential Guaranteed Income Fund | Guaranteed Investment Contract | 5,851,499 |
| | American Funds Europacific Growth R6 | Mutual Funds | 6,291,672 |
| * | Prudential Total Return Bond Q Fund | Mutual Funds | 5,231,411 |
| | Vanguard Equity Income Admiral Fund | Mutual Funds | 4,980,185 |
| | T. Rowe Price US Large Cap Growth Equity | Pooled Separate Accounts | 5,262,318 |
| | Vanguard Mid Cap Growth Inv Fund | Mutual Funds | 3,555,575 |
| | DFA US Small Cap Value I Fund | Mutual Funds | 2,314,437 |
| | Vanguard Mid Cap Index Admiral Fund | Mutual Funds | 1,913,025 |
| | JPMorgan Mid Cap Value L Fund | Mutual Funds | 1,107,356 |
| | Vanguard Total Intl Stock Admiral Fund | Mutual Funds | 1,574,887 |
| | Janus Henderson Triton N Fund | Mutual Funds | 1,337,728 |
| | Vanguard Small Cap Index Admiral Fund | Mutual Funds | 843,140 |
| | Vanguard Total Bond Market Index Fund | Mutual Funds | 459,042 |
| | Calvert US Large Cap Core Rspnb Idx I | Mutual Funds | 253,559 |
| | BlackRock High Yield Bond K Fund | Mutual Funds | 224,973 |
| | AB Global Bond Z Fund | Mutual Funds | 124,876 |
| | **Total Investments per the Financial Statements** | | 47,928,279 |
| * | Notes Receivable from Participants | Interest rates of 4.25 - 5.25%, maturing through September 2021 | 479,166 |
| | | | $ 48,407,445 |

Column (d) for cost has been omitted as investments are participant-directed.

* Party-in-interest as defined by ERISA

# Hanley Wood 401(k) Plan

## Financial Statements and Supplemental Schedule

## December 31, 2017 and 2016

**Hanley Wood 401(k) Plan**

## Contents


| | |
|---|---|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements | |
| Statements of Net Assets Available for Benefits | 3 |
| Statements of Changes in Net Assets Available for Benefits | 4 |
| Notes to Financial Statements | 5 – 10 |
| Supplemental Schedule | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 11 |

RyanSharkey
CPAs + Consultants

# INDEPENDENT AUDITOR'S REPORT

To The Plan Committee
Hanley Wood 401(k) Plan
Washington, D.C.

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Hanley Wood 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on 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 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company (Prudential), the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2017 and 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

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

**Other Matter – Supplemental Schedule**

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2017, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by Prudential, 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 ERISA.

Ryan Sharkey, LLP

Reston, Virginia
October 9, 2018

## Hanley Wood 401(k) Plan

## Statements of Net Assets Available for Benefits

| As of December 31, | 2017 | 2016 |
|---|---|---|
| **Assets** | | |
| **Investments** | | |
| Investments at fair value | $ 42,076,780 | $ 34,128,387 |
| Investments at contract value | 5,851,499 | 5,131,660 |
| **Total Investments** | 47,928,279 | 39,260,047 |
| **Receivables** | | |
| Participant contributions | 89,822 | 91,225 |
| Employer contributions | 67,346 | 61,635 |
| Notes receivable from participants | 479,166 | 322,305 |
| **Total Receivables** | 636,334 | 475,165 |
| **Total Assets** | 48,564,613 | 39,735,212 |
| **Liabilities** | - | - |
| **Net Assets Available for Benefits** | $ 48,564,613 | $ 39,735,212 |

*See Notes to Financial Statements.*

## Hanley Wood 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

| Year Ended December 31, | 2017 | 2016 |
|---|---|---|
| **Additions to Net Assets Attributed to:** | | |
| **Investment Income:** | | |
| Net appreciation in fair value of investments | $ 6,722,693 | $ 1,880,981 |
| Interest and dividends | 713,544 | 624,063 |
| **Total Investment Income** | 7,436,237 | 2,505,044 |
| **Interest on Notes Receivable from Participants** | 16,841 | 12,993 |
| **Contributions:** | | |
| Participant | 3,374,784 | 3,260,144 |
| Employer | 544,836 | 466,072 |
| Rollover | 429,810 | 343,687 |
| **Total Contributions** | 4,349,430 | 4,069,903 |
| **Total Additions** | 11,802,508 | 6,587,940 |
| **Deductions from Net Assets Attributed to:** | | |
| Benefits paid to participants | 2,765,553 | 4,487,117 |
| Administrative expenses | 207,554 | 129,606 |
| **Total Deductions** | 2,973,107 | 4,616,723 |
| **Net Increase** | 8,829,401 | 1,971,217 |
| **Net Assets Available for Benefits, beginning of year** | 39,735,212 | 37,763,995 |
| **Net Assets Available for Benefits, end of year** | $ 48,564,613 | $ 39,735,212 |

*See Notes to Financial Statements.*

## Notes to Financial Statements

## NOTE 1 – PLAN DESCRIPTION

The following description of the Hanley Wood 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering employees of HW Management, Inc. (the Company). The Plan covers substantially all full-time employees of the Company, except collective bargaining employees and temporary and seasonal employees working less than 1,000 hours per year. Employees are eligible to make elective deferrals after completing three months of service. Employees are eligible to receive Company matching contributions after completion of one year of service. The Plan is subject to the provisions of ERISA.

### Contributions

Participants may contribute up to 50 percent of their pre-tax or post-tax annual compensation as defined in the Plan. Participants who have attained age of 50 before the end of the Plan year may elect to make catch-up contributions. Participants may also contribute amounts representing rollovers from other qualified plans. The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate. Automatically enrolled participants have their deferral rate set at 3.00 percent of eligible compensation and their contributions invested in a designated balance fund until changed by the participant.

The Company provides a discretionary matching contribution equal to 25 percent of the participant's elective deferrals that do not exceed 6 percent of the participant's compensation.

### Participant Accounts

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

### Vesting

Participants are immediately vested in their contributions and rollover contributions, if any, plus actual earnings thereon. Vesting in the Company's matching contributions is based on years of continuous service. Participants vest ratably over four years of credited service.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to an amount equal to the lesser of $50,000 or 50 percent of their vested account balance. The notes are secured by the balance in each participant's account. The loan interest rate is 1.00 percent above the prime rate, which is commensurate with local prevailing rates as determined by the plan administrator. Loan terms range from one to five years or up to ten years for the purchase of a primary residence. Principal and interest are paid ratably through payroll deductions.

### Payment of Benefits

Upon termination of service due to death, disability, retirement or separation, a participant or his or her designated beneficiary may elect to receive a lump sum amount equal to the full value of the participant's account balance or installment payments for a fixed period not to extend beyond the participant's life expectancy. Active participants may withdraw their employee and vested company contributions under the hardship provisions as defined by the Plan. In-service distributions are also permitted for participants who become disabled or who have attained age 59 ½.

### Forfeited Accounts

As of December 31, 2017 and 2016, forfeited nonvested accounts totaled $30,830 and $12,964 respectively. These forfeitures are first used to pay administrative expenses and then used to reduce future Company contributions. Forfeitures of $0 and $32,661, were used to reduce employer matching contributions during the years ended December 31, 2017 and 2016, respectively.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

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

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts the Plan's net assets available for benefit and changes therein. Actual results could differ from these estimates.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan agreement.

**Payment of Benefits**

Benefits are recorded when paid.

**Administrative Expenses**

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

## NOTE 3 – INFORMATION CERTIFIED BY PRUDENTIAL

The following information was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Prudential:

1. Investments and notes receivable from participants reported on the statements of net assets available for benefits as of December 31, 2017 and 2016.

2. Investment activity and interest on notes receivable from participants reported on the statements of changes in net assets available for benefits for the years ended December 31, 2017 and 2016.

3. Schedule of assets (held at end of year) as of December 31, 2017.

## NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Accounting Standards Codification Topic 820-10 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 or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

## Notes to Financial Statements

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $36,814,462 | $ - | $ - | $36,814,462 |
| Investments measured at net asset value [(a)] | - | - | - | 5,262,318 |
| Investments at fair value | $ 36,814,462 | $ - | $ - | $ 42,076,780 |

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $30,315,199 | $ - | $ - | $30,315,199 |
| Investments measured at net asset value [(a)] | - | - | - | 3,813,188 |
| Investments at fair value | $ 30,315,199 | $ - | $ - | $ 34,128,387 |

[(a)] In accordance with Subtopic 820-10, pooled separate accounts that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

**Fair Value of Investments that Calculate Net Asset Value**

The following table summarizes investments measured at fair value based on NAV per share as of December 31:

| | Fair Value December 31, | | Unfunded | Redemption | Redemption |
|---|---|---|---|---|---|
| | 2017 | 2016 | Commitments | Frequency | Notice Period |
| Pooled separate accounts | $ 5,262,318 | $ 3,813,188 | n/a | Daily | Daily |

## NOTE 5 – GUARANTEED INVESTMENT CONTRACT

The Plan has a fully benefit-responsive guaranteed investment contract with Prudential, which maintains the contributions in a general account. The account is credited with earnings on underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

This contract a traditional investment contract that meets the fully benefit-responsive investment contract criteria and therefore is presented at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Generally there are not any events that could limit the ability of the Plan to transact at contract value. The plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

## NOTE 6 – TAX STATUS

The Plan has adopted a non-standardized form of prototype plan sponsored by Prudential. The prototype plan received an opinion letter from the Internal Revenue Service (IRS) stating that the form of the Plan is acceptable under Section 401 of the Internal Revenue Code (IRC) for use by employers for the benefit of their employees. The prototype plan opinion letter has been relied upon by the Plan. The plan administrator believes the Plan is designed and being operated in compliance with the applicable provisions of the IRC.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress.

## NOTE 7 – PLAN TERMINATION

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

## NOTE 8 – RISKS AND UNCERTAINTIES

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

## NOTE 9 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential, the trustee of the Plan, and therefore, these transactions qualify as party-in-interest transactions. Some fees paid by the Plan for investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. In addition, the Plan paid certain expenses related to Plan operations to other service providers. These transactions qualify as party-in-interest transactions under ERISA.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 31:

| | 2017 | 2016 |
|---|---|---|
| Net assets available for benefits, financial statements | $ 48,564,613 | $ 39,735,212 |
| Participant contributions receivable, current year | (89,822) | (91,225) |
| Employer contributions receivable, current year | (67,346) | (61,635) |
| Excess contributions refundable, current year | - | - |
| Net assets available for benefits, Form 5500 | $ 48,407,445 | $ 39,582,352 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31:

| | 2017 | 2016 |
|---|---|---|
| Change in net assets available for benefits, financial statements | $ 8,829,401 | $ 1,971,217 |
| Participant contributions receivable, prior year | 91,225 | 85,303 |
| Employer contributions receivable, prior year | 61,635 | 57,141 |
| Participant contributions receivable, current year | (89,822) | (91,225) |
| Employer contributions receivable, current year | (67,346) | (61,635) |
| Excess contributions refundable, prior year | - | (100,811) |
| Change in net assets available for benefits, Form 5500 | $ 8,825,093 | $ 1,859,990 |

## NOTE 11 – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued.

# SUPPLEMENTAL SCHEDULE

**Hanley Wood 401(k) Plan**
**EIN: 80-0956936 Plan Number: 002**
**Schedule H, Line 4i – Schedule of Assets (Held at End of Year)**
**December 31, 2017**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| | Vanguard 500 Index Admiral Fund | Mutual Funds | $ 6,602,596 |
| * | Prudential Guaranteed Income Fund | Guaranteed Investment Contract | 5,851,499 |
| | American Funds Europacific Growth R6 | Mutual Funds | 6,291,672 |
| * | Prudential Total Return Bond Q Fund | Mutual Funds | 5,231,411 |
| | Vanguard Equity Income Admiral Fund | Mutual Funds | 4,980,185 |
| | T. Rowe Price US Large Cap Growth Equity | Pooled Separate Accounts | 5,262,318 |
| | Vanguard Mid Cap Growth Inv Fund | Mutual Funds | 3,555,575 |
| | DFA US Small Cap Value I Fund | Mutual Funds | 2,314,437 |
| | Vanguard Mid Cap Index Admiral Fund | Mutual Funds | 1,913,025 |
| | JPMorgan Mid Cap Value L Fund | Mutual Funds | 1,107,356 |
| | Vanguard Total Intl Stock Admiral Fund | Mutual Funds | 1,574,887 |
| | Janus Henderson Triton N Fund | Mutual Funds | 1,337,728 |
| | Vanguard Small Cap Index Admiral Fund | Mutual Funds | 843,140 |
| | Vanguard Total Bond Market Index Fund | Mutual Funds | 459,042 |
| | Calvert US Large Cap Core Rspnb Idx I | Mutual Funds | 253,559 |
| | BlackRock High Yield Bond K Fund | Mutual Funds | 224,973 |
| | AB Global Bond Z Fund | Mutual Funds | 124,876 |
| | **Total Investments per the Financial Statements** | | 47,928,279 |
| * | Notes Receivable from Participants | Interest rates of 4.25 - 5.25%, maturing through September 2021 | 479,166 |
| | | | $ 48,407,445 |

Column (d) for cost has been omitted as investments are participant-directed.

* Party-in-interest as defined by ERISA

# Hanley Wood 401(k) Plan

## Financial Statements and Supplemental Schedule

## December 31, 2017 and 2016

**Hanley Wood 401(k) Plan**

## Contents


| | |
|---|---|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements | |
| Statements of Net Assets Available for Benefits | 3 |
| Statements of Changes in Net Assets Available for Benefits | 4 |
| Notes to Financial Statements | 5 – 10 |
| Supplemental Schedule | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 11 |

RyanSharkey
CPAs + Consultants

# INDEPENDENT AUDITOR'S REPORT

To The Plan Committee
Hanley Wood 401(k) Plan
Washington, D.C.

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Hanley Wood 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on 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 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company (Prudential), the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2017 and 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

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

**Other Matter – Supplemental Schedule**

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2017, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by Prudential, 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 ERISA.

Ryan Sharkey, LLP

Reston, Virginia
October 9, 2018

## Hanley Wood 401(k) Plan

## Statements of Net Assets Available for Benefits

| As of December 31, | 2017 | 2016 |
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| **Assets** | | |
| **Investments** | | |
| Investments at fair value | $ 42,076,780 | $ 34,128,387 |
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| **Total Assets** | 48,564,613 | 39,735,212 |
| **Liabilities** | - | - |
| **Net Assets Available for Benefits** | $ 48,564,613 | $ 39,735,212 |

*See Notes to Financial Statements.*

## Hanley Wood 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

| Year Ended December 31, | 2017 | 2016 |
|---|---|---|
| **Additions to Net Assets Attributed to:** | | |
| **Investment Income:** | | |
| Net appreciation in fair value of investments | $ 6,722,693 | $ 1,880,981 |
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| Administrative expenses | 207,554 | 129,606 |
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The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts the Plan's net assets available for benefit and changes therein. Actual results could differ from these estimates.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan agreement.

**Payment of Benefits**

Benefits are recorded when paid.

**Administrative Expenses**

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

## NOTE 3 – INFORMATION CERTIFIED BY PRUDENTIAL

The following information was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Prudential:

1. Investments and notes receivable from participants reported on the statements of net assets available for benefits as of December 31, 2017 and 2016.

2. Investment activity and interest on notes receivable from participants reported on the statements of changes in net assets available for benefits for the years ended December 31, 2017 and 2016.

3. Schedule of assets (held at end of year) as of December 31, 2017.

## NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Accounting Standards Codification Topic 820-10 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 or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

## Notes to Financial Statements

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $36,814,462 | $ - | $ - | $36,814,462 |
| Investments measured at net asset value [(a)] | - | - | - | 5,262,318 |
| Investments at fair value | $ 36,814,462 | $ - | $ - | $ 42,076,780 |

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $30,315,199 | $ - | $ - | $30,315,199 |
| Investments measured at net asset value [(a)] | - | - | - | 3,813,188 |
| Investments at fair value | $ 30,315,199 | $ - | $ - | $ 34,128,387 |

[(a)] In accordance with Subtopic 820-10, pooled separate accounts that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

**Fair Value of Investments that Calculate Net Asset Value**

The following table summarizes investments measured at fair value based on NAV per share as of December 31:

| | Fair Value December 31, | | Unfunded | Redemption | Redemption |
|---|---|---|---|---|---|
| | 2017 | 2016 | Commitments | Frequency | Notice Period |
| Pooled separate accounts | $ 5,262,318 | $ 3,813,188 | n/a | Daily | Daily |

## NOTE 5 – GUARANTEED INVESTMENT CONTRACT

The Plan has a fully benefit-responsive guaranteed investment contract with Prudential, which maintains the contributions in a general account. The account is credited with earnings on underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

This contract a traditional investment contract that meets the fully benefit-responsive investment contract criteria and therefore is presented at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Generally there are not any events that could limit the ability of the Plan to transact at contract value. The plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

## NOTE 6 – TAX STATUS

The Plan has adopted a non-standardized form of prototype plan sponsored by Prudential. The prototype plan received an opinion letter from the Internal Revenue Service (IRS) stating that the form of the Plan is acceptable under Section 401 of the Internal Revenue Code (IRC) for use by employers for the benefit of their employees. The prototype plan opinion letter has been relied upon by the Plan. The plan administrator believes the Plan is designed and being operated in compliance with the applicable provisions of the IRC.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress.

## NOTE 7 – PLAN TERMINATION

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

## NOTE 8 – RISKS AND UNCERTAINTIES

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

## NOTE 9 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Prudential, the trustee of the Plan, and therefore, these transactions qualify as party-in-interest transactions. Some fees paid by the Plan for investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. In addition, the Plan paid certain expenses related to Plan operations to other service providers. These transactions qualify as party-in-interest transactions under ERISA.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 31:

| | 2017 | 2016 |
|---|---|---|
| Net assets available for benefits, financial statements | $ 48,564,613 | $ 39,735,212 |
| Participant contributions receivable, current year | (89,822) | (91,225) |
| Employer contributions receivable, current year | (67,346) | (61,635) |
| Excess contributions refundable, current year | - | - |
| Net assets available for benefits, Form 5500 | $ 48,407,445 | $ 39,582,352 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31:

| | 2017 | 2016 |
|---|---|---|
| Change in net assets available for benefits, financial statements | $ 8,829,401 | $ 1,971,217 |
| Participant contributions receivable, prior year | 91,225 | 85,303 |
| Employer contributions receivable, prior year | 61,635 | 57,141 |
| Participant contributions receivable, current year | (89,822) | (91,225) |
| Employer contributions receivable, current year | (67,346) | (61,635) |
| Excess contributions refundable, prior year | - | (100,811) |
| Change in net assets available for benefits, Form 5500 | $ 8,825,093 | $ 1,859,990 |

## NOTE 11 – SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 9, 2018, the date the financial statements were available to be issued.

# SUPPLEMENTAL SCHEDULE

**Hanley Wood 401(k) Plan**
**EIN: 80-0956936 Plan Number: 002**
**Schedule H, Line 4i – Schedule of Assets (Held at End of Year)**
**December 31, 2017**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Description of Investment | (e) Current Value |
|---|---|---|---|
| | Vanguard 500 Index Admiral Fund | Mutual Funds | $ 6,602,596 |
| * | Prudential Guaranteed Income Fund | Guaranteed Investment Contract | 5,851,499 |
| | American Funds Europacific Growth R6 | Mutual Funds | 6,291,672 |
| * | Prudential Total Return Bond Q Fund | Mutual Funds | 5,231,411 |
| | Vanguard Equity Income Admiral Fund | Mutual Funds | 4,980,185 |
| | T. Rowe Price US Large Cap Growth Equity | Pooled Separate Accounts | 5,262,318 |
| | Vanguard Mid Cap Growth Inv Fund | Mutual Funds | 3,555,575 |
| | DFA US Small Cap Value I Fund | Mutual Funds | 2,314,437 |
| | Vanguard Mid Cap Index Admiral Fund | Mutual Funds | 1,913,025 |
| | JPMorgan Mid Cap Value L Fund | Mutual Funds | 1,107,356 |
| | Vanguard Total Intl Stock Admiral Fund | Mutual Funds | 1,574,887 |
| | Janus Henderson Triton N Fund | Mutual Funds | 1,337,728 |
| | Vanguard Small Cap Index Admiral Fund | Mutual Funds | 843,140 |
| | Vanguard Total Bond Market Index Fund | Mutual Funds | 459,042 |
| | Calvert US Large Cap Core Rspnb Idx I | Mutual Funds | 253,559 |
| | BlackRock High Yield Bond K Fund | Mutual Funds | 224,973 |
| | AB Global Bond Z Fund | Mutual Funds | 124,876 |
| | **Total Investments per the Financial Statements** | | 47,928,279 |
| * | Notes Receivable from Participants | Interest rates of 4.25 - 5.25%, maturing through September 2021 | 479,166 |
| | | | $ 48,407,445 |

Column (d) for cost has been omitted as investments are participant-directed.

* Party-in-interest as defined by ERISA