

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 2018 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
A This return/report is for:	☐ a multiemployer plan ☒ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>HARBOR AMERICA 401K PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>04/01/1997</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>04/01/1997</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>04/01/1997</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>HARBOR AMERICA HOLDINGS, INC.</u> <u>21977 E. WALLIS DR</u> <u>PORTER, TX 77365</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>01-0738710</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>281-999-5544</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>561300</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>01-0738710</u>	2c Plan Sponsor's telephone number <u>281-999-5544</u>	2d Business code (see instructions) <u>561300</u>	
2b Employer Identification Number (EIN) <u>01-0738710</u>					
2c Plan Sponsor's telephone number <u>281-999-5544</u>					
2d Business code (see instructions) <u>561300</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2019	KRIS HANSBERGER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor 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 1183
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1071 6a(2) 568 6b 0 6c 132 6d 700 6e 0 6f 700 6g 348 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2A 2E 2F 2J b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018	
A Name of plan HARBOR AMERICA 401K PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HARBOR AMERICA HOLDINGS, INC.	D Employer Identification Number (EIN) 01-0738710

Part I	Service Provider Information (see instructions)
---------------	--

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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

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

SLAVIC INTEGRATED ADMINISTRATION

65-0608221

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 38 50	TPA	93633	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SLAVIC MUTUAL FUND MANAGEMENT CORP.

59-2749576

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	PORTOFOLIO MGMT FEE	20684	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

HARBOR AMERICA HOLDINGS, INC.

01-0738710

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14	PLAN ADMINISTRATOR	8128	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan HARBOR AMERICA 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARBOR AMERICA HOLDINGS, INC.	D Employer Identification Number (EIN) 01-0738710	

Part I Asset and Liability Statement			
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)	18452	6716
(2) Participant contributions	1b(2)	46117	35580
(3) Other.....	1b(3)	6688	3152
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)	448141	390429
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	13274662	13339032
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	13794060	13774909

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13794060	13774909
---	-----------	----------	----------

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)	615147	
(B) Participants	2a(1)(B)	1406605	
(C) Others (including rollovers)	2a(1)(C)	328410	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2350162
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)	17895	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		17895
(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)	355848	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		355848
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-806005
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1917900

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1440627	
(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)		1440627
f Corrective distributions (see instructions)	2f		36534
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)	101761	
(3) Investment advisory and management fees.....	2i(3)	20684	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		122445
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1599606

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		318294
l Transfers of assets:			
(1) To this plan.....	2l(1)		426921
(2) From this plan.....	2l(2)		764366

Part III Accountant's Opinion

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

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

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

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

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

(1) Name: CLAYBORN ACCOUNTING FINANCIAL SERVI

(2) EIN: 51-4641519

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

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

Part IV Compliance Questions

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

During the plan year:

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

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n	X		

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)
HEART OF TEXAS ART GROUP INC	74-2938199	001
ATS GROUP LLC 401K PLAN	32-0496994	001

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____. (See instructions.)

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 2018 This Form is Open to Public Inspection.
---	---	--

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>65-0708495</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

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

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

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

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

Schedule R (Form 5500) 2018
v. 171027

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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):

Harbor America 401K Plan

Financial Statements
December 31, 2018 and 2017



**Harbor America 401K Plan
Financial Statements
December 31, 2018 and 2017**

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5
Supplemental Schedule	
Schedule H, Line 4i Schedule of Assets (Held at End of Year)	9
Note:	
All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for reporting and Disclosure under the Employee Retirement Income Securities Act of 1974 have been omitted because they are not applicable.	



INDEPENDENT AUDITORS' REPORT

To the Participants in and Administrator of
Harbor America 401K Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements Harbor America 401K Plan, which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Harbor America 401K Plan as of December 31, 2018, and the changes in net assets available for benefits for the year ended December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule Schedule H, Line 4i-Schedule of Assets (Held at End of Year) as of December 31, 2018 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Other Matter – 2017 Financial Statements

The financial statements of the Plan as of December 31, 2017 were audited by other auditors. Their report, dated October 1, 2018, indicated that, in their opinion, the financial statements presented fairly, in all material respects, the net assets available for benefits as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Metz & Associates PLLC

Phoenix, Arizona
October 10, 2019

Harbor America 401K Plan
Statements of Net Assets Available for Benefits
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments, at fair value:		
Mutual funds	\$ <u>13,339,032</u>	\$ <u>13,274,662</u>
Receivables:		
Loan Payment Receivable	3,152	6,690
Employee Contributions	35,580	46,117
Employer Contributions	6,716	18,452
Notes receivable from participants	<u>390,429</u>	<u>448,141</u>
	<u>435,877</u>	<u>519,400</u>
 TOTAL ASSETS	 13,774,909	 13,794,062
LIABILITIES		
Excess contributions payable	<u>53,447</u>	<u>0</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 \$ <u>13,721,462</u>	 \$ <u>13,794,062</u>

See accompanying notes to financial statements.

Harbor America 401K Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2018

ADDITIONS

Investment loss:

Net depreciation in fair value of investments	\$ (806,007)
Interest and dividend income	<u>373,743</u>
	(432,264)

Contributions:

Employer	615,147
Participant	1,406,605
Rollover	328,410
Transfer of assets to plan	<u>426,921</u>
	<u>2,777,083</u>

TOTAL ADDITIONS	<u>2,344,819</u>
-----------------	------------------

DEDUCTIONS

Deductions from net assets attributed to:

Benefits paid to participants	1,530,608
Transfer of assets from plan	764,366
Administrative expenses	<u>122,445</u>

TOTAL DEDUCTIONS	<u>2,417,419</u>
------------------	------------------

NET DECREASE	(72,600)
--------------	----------

NET ASSETS AVAILABLE FOR BENEFITS

BEGINNING OF YEAR	<u>13,794,062</u>
-------------------	-------------------

END OF YEAR	<u>\$ 13,721,462</u>
-------------	----------------------

See accompanying notes to financial statements.

**Harbor America 401K Plan
Notes to Financial Statements
December 31, 2018 and 2017**

NOTE A – DESCRIPTION OF PLAN

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

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

Pursuant to the election set forth in each worksite employers’ Election Agreement, certain worksite employees are eligible to participate in the Plan. The eligibility period applicable to a worksite employee is based on the eligibility option elected in the applicable Election Agreement, made by the worksite employers. Age requirements for participation range from no requirement to the 21 years of age maximum defined by the code. Service requirements range from no prior service required to one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions – Each year, participants may contribute from 1% to 100% of pretax annual compensation (as defined in the Plan). Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into the investment options offered by the Plan. The Plan currently offers selected mutual funds as investment options for participants. Pursuant to the elections set forth in each of the applicable Election Agreements, certain worksite employees may receive one or more of the following types of Company contributions: matching contributions, qualified non-elective contributions, and discretionary profit-sharing contributions.

Participant Accounts – Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution and (b) Plan earnings (losses), and charged with an allocation of administrative expenses, 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 plus actual earnings thereon. Employer contributions are based on years of continuous service in the specific worksite employers; vesting schedules vary.

Payment of Benefits – On termination of service due to reasons other than death, vested interest will be received by the participant as a lump distribution as soon as administratively feasible after employment is terminated. If vested interest is \$5,000 or more the participant may elect installment payments over a specific period of time. Distributions upon death can be elected, by the beneficiary, as lump sum or equal installment payments.

Notes Receivable from Participant – Subject to certain limitations in the plan document, participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant’s account and bear interest at rates which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions. As of December 31, 2018 participant loans have maturities through 2023 at interest rates ranging from 4.75% to 6%.

**Harbor America 401K Plan
Notes to Financial Statements
December 31, 2018 and 2017**

NOTE A – DESCRIPTION OF PLAN (continued)

Forfeited Accounts – Any accumulated benefits forfeited during a Plan year due to participant withdrawal prior to full vesting may be applied to reduce Employer contributions or to pay administrative expenses which would otherwise be paid by the Plan. Forfeited non-vested accounts totaled \$367 and \$10 at December 31, 2018 and 2017, respectively. Forfeitures of terminated non-vested account balances used to reduce employer contributions for the year ended December 31, 2018 totaled \$1,671.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review – Subsequent events were evaluated through October 10, 2019, which is the date the financial statements were available to be issued.

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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 charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2018 and 2017, no allowance for credit losses has been recorded. If a participant does not make loan repayments and the Plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the plan document.

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

Investment Valuation and Income Recognition – The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See "Note G Fair Value Measurements" for discussion of Fair Value Measurements. In accordance with the policy of stating investments at fair value, the Plan presents, in the statement of changes in net assets available for benefits, the net appreciation (depreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. Dividends are recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Purchase and sales of securities are recorded on a trade-date basis.

Payment of Benefits – Benefits are recorded when paid.

Operating Expenses – General administrative expenses of maintaining the Plan are paid by the Company. Investment management, distribution and loan transaction fees are paid by the Plan participants.

NOTE C – PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan's sponsor has the right to terminate the Plan subject to the provisions of ERISA. In the event of whole or partial plan termination; participants would become fully vested as to the amount credited to their accounts after deductions for estimated liquidation and distribution expenses.

**Harbor America 401K Plan
Notes to Financial Statements
December 31, 2018 and 2017**

NOTE D – RISKS AND UNCERTAINTIES

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

NOTE E – TAX STATUS

The Plan uses a volume submitter profit sharing plan document sponsored by Slavic Integrated Administration Inc. and has received an opinion letter dated March 31, 2014 from the Internal Revenue Service which states that the volume submitter profit sharing plan's form satisfies the applicable provisions of the Internal Revenue Code. The prototype plan's opinion letter has been relied upon by the Plan. The Plan administrator believes the Plan is being operated in compliance with the applicable requirement of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any open tax periods in progress.

NOTE F – FAIR VALUE MEASUREMENTS

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

Level 1 Fair Value Measurements

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 Fair Value Measurements

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.

Harbor America 401K Plan
Notes to Financial Statements
December 31, 2018 and 2017

NOTE F – FAIR VALUE MEASUREMENTS (continued)

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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, 2018 and 2017.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017.

Assets at Fair Value as of December 31, 2018					
		Level 1		Level 2	Total
Mutual funds	\$	<u>13,339,032</u>	\$	<u>0</u>	\$ <u>13,339,032</u>
Total fair value hierarchy	\$	<u>13,339,032</u>	\$	<u>0</u>	\$ <u>13,339,032</u>
Assets at Fair Value as of December 31, 2017					
		Level 1		Level 2	Total
Mutual funds	\$	<u>13,274,662</u>	\$	<u>0</u>	\$ <u>13,274,662</u>
Total fair value hierarchy	\$	<u>13,274,662</u>	\$	<u>0</u>	\$ <u>13,274,662</u>

Transfers between Levels – The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances the transfer is reported at the beginning of the reporting period.

NOTE G – EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the custodian as defined by the Plan. These transactions are considered exempt party-in-interest transactions. Fees paid for investment management services were included as a reduction of the return earned on each respective fund. The Plan issues loans to participants, which are secured by the vested balances in the participants' accounts.

Harbor America 401K Plan
EIN: 01-0738710 Plan Number: 001
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2018

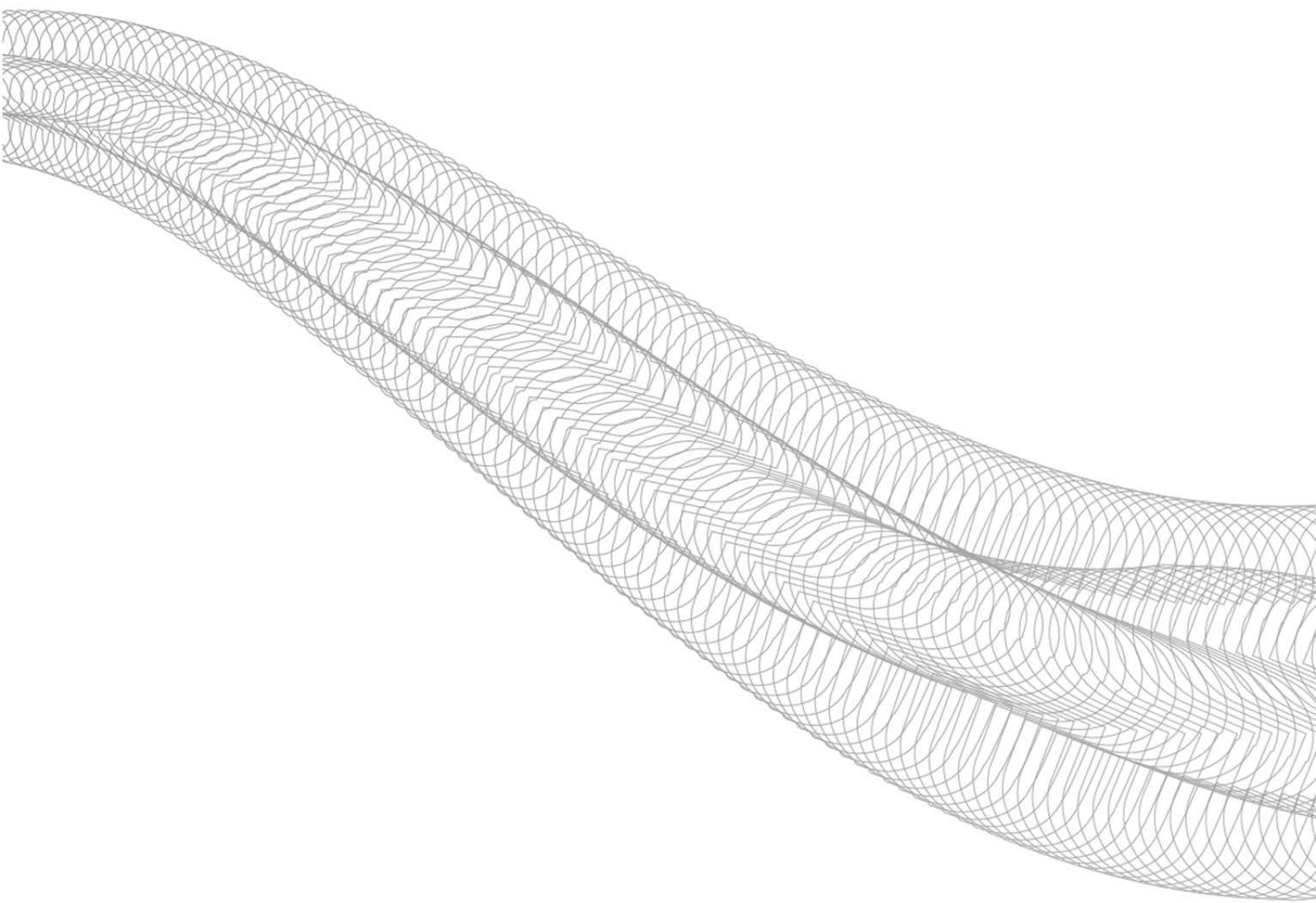
(a)	(b) Identity of issue, borrower, lessor or similarly party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	BlackRock	iShares Total U.S. Stock Market Index Fund		\$15,702
	BlackRock	iShares MSCI EAFE International Index Fund		18,606
	DFA	DFA Emerging Markets Core Equity Fund		198,611
	Fidelity	Fidelity Advisor Materials Fund		48,811
	Franklin/Templeton	Franklin Utilities Fund		31,935
	Fidelity	Fidelity 500 Index Fund		71,540
	Fidelity	Fidelity US Bond Index Fund		18,197
	JPMorgan	JPMorgan US Research Enhanced Equity Fund		98,702
	Nationwide	Nationwide Ziegler NYSE Arca Tech 100 Index Fund		292,308
	Oppenheimer Funds	Oppenheimer Gold & Special Minerals Fund		54,546
	T Rowe Price	T. Rowe Price International Equity Index Fund		30,118
	Principal	Principal Large Cap Growth Fund		249,902
	American Funds	American Funds EuroPacific Growth Fund		498,163
	American Funds	American Funds New Perspective Fund		107,936
	American Funds	American Funds Capital World Growth Fund		8,401
	BlackRock	BlackRock Health Sciences Opportunity Fund		202,578
	Vanguard	Vanguard Inflation Protected Securities Fund		64,498
	Vanguard	Vanguard Intermediate-Term Bond Index Fund		42,333
	Vanguard	Vanguard Short-Term Bond Index Fund		15,883
	Vanguard	Vanguard Total Bond Market Index Fund		50,751
	Vanguard	Vanguard Target Retirement 2055 Fund		28,464
	Vanguard	Vanguard Target Retirement 2050 Fund		37,397
	Vanguard	Vanguard Target Retirement 2040 Fund		141,686
	Vanguard	Vanguard Energy Fund		266,090
	Vanguard	Vanguard Real Estate Index Fund		25,187
	Vanguard	Vanguard Mid Cap Index Fund		192,314
	Vanguard	Vanguard Industrial Index Fund		376,402
	Vanguard	Vanguard Information Technology Index Fund		466,398
	Vanguard	Vanguard Federal Money Market Fund		2,554,216
	Vanguard	Vanguard Prime Money Market Fund		7
	Vanguard	Vanguard Small Cap Growth Index Fund		230,938
	Vanguard	Vanguard Short-Term Federal Fund		2,252,673
	Vanguard	Vanguard Small Cap Index Fund		99,495
	Vanguard	Vanguard Short-Term Inflation Protected Securities Index Fund		1,376
	Vanguard	Vanguard Target Retirement 2030 Fund		134,445
	Vanguard	Vanguard Target Retirement Income Fund		47,689
	Vanguard	Vanguard Target Retirement 2045 Fund		455,977
	Vanguard	Vanguard Total Stock Market Index Fund		3,645,980
	Vanguard	Vanguard Target Retirement 2035 Fund		102,334
	Vanguard	Vanguard Target Retirement 2060 Fund		2,572
	Vanguard	Vanguard Target Retirement 2025 Fund		76,336

Harbor America 401K Plan
EIN: 01-0738710 Plan Number: 001
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2018

	Vanguard	Vanguard Target Retirement 2020 Fund		81,409
	Vanguard	Vanguard Target Retirement 2015 Fund		126
*	Participant notes receivable	Interest rates range from 4.75% to 6 %		390,429
				<u>\$ 13,774,909</u>

(a) * A party-in-interest as defined by ERISA

(d) Cost is not required for participant directed funds



Phoenix

950 W. Indian School Rd
Phoenix, AZ 85013

Milwaukee

720 N. Milwaukee St.
Suite 300
Milwaukee, WI 53202

New York

175 Varick St.
New York, NY 10014

Multiple-Employer Plan Participating Employer Information

Harbor America 401(k) Plan		Plan # 001	EIN # 01-0738710
(a) Name of participating employer	(b) EIN	(c) Percent of Total Contributions	
138 Timber Creek, LLC	26-3559743	5.46%	
Aqua Pure	76-0388209	0.73%	
Archer's Auto Care, Inc.	62-1407533	0.74%	
ATS Group, LLC	32-0496994	13.80%	
Bill's Truck & Trailer Repair	68-0516577	0.18%	
Booth Environmental	73-1882040	1.65%	
Canyon Construction Company	76-0539064	0.88%	
DKRH Enterprises, LLC	16-1663608	3.64%	
Douglas Smith dba Prestige Electric Service	20-1643519	0.42%	
Earth Tech Drilling, Inc.	04-3643895	1.01%	
Eric R. Nielson DMD PLC	20-1535944	1.38%	
Expedited Logistics and Freight Services, LLC	76-0690820	15.04%	
Farias, Inc.	74-2798803	0.15%	
Fast Electric LLC	46-2591478	2.44%	
General Heating & Air	58-2277191	0.51%	
GMT Service Corp.	76-0561254	0.31%	
Harber A/C Refrigeration	73-1355249	0.18%	
Harbor America Specialty Brokerage, LLC	20-3829069	1.14%	
J&L of MS, Inc.	27-1973385	2.06%	
K&M Highline, LLC	45-3748852	3.49%	
KWM, Inc. dba Stainless Structural Works, LLC	74-2035945	5.98%	
Merlino Marble & Granite, Inc.	26-0235497	1.69%	
OLIVE BRANCH CHAMBER OF COMMERCE	64-0562619	0.80%	
Phoenix Electric, Inc.	74-2409177	4.14%	
Premiere Powerline Construction, LLC	47-5660939	0.05%	
Richard and Rebecca Hernandez dba Hybrid Recovery Services	46-1665114	7.47%	
Sur-Foods Emporium Corporation	71-0953769	0.33%	
Vensure Employer Services, Inc.	75-2724979	22.30%	
Vision Source Atascocita	20-2455364	2.04%	

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

HARBOR AMERICA 401K PLAN

PLAN # 001

EIN #: 01- 0738710

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date rate of interest, collateral, par, or maturity value	(d) cost	(e) Current value
	BlackRock	BKTSX - iShares Total U S Stock Market Index K		15,702
	BlackRock	BTMKX - iShares MSCI EAFE International Index K		18,606
	DFA	DFCEX - DFA Emerging Markets Core Equity		198,611
	Fidelity	FMFEX - Fidelity Advisor Materials I		48,811
	Franklin/Templeton	FUFRX - Franklin Utilities R6		31,935
	Fidelity	FXAIX - Fidelity 500 Index		71,540
	Fidelity	FXNAX - Fidelity US Bond Index		18,197
	JPMorgan	JPIEX - JPMorgan US Research Enhanced Equity L		98,702
	Nationwide	NWJCX - Nationwide Ziegler NYSE Arca Tech 100 In		292,308
	Oppenheimer Funds	OGMIX - Oppenheimer Gold & Special Minerals I		54,546
	T Rowe Price	PIEQX - T Rowe Price Int'l Equity Index		30,118
	Principal	PLGIX - Principal Large Cap Growth		249,902
	American Funds	RERGX - American Funds EuroPacific R6		498,163
	American Funds	RNPGX - American Funds New Perspective R6		107,936
	American Funds	RWIGX - American Funds Capital World G & I R6		8,402
	BlackRock	SHISX - BlackRock Health Sciences Svc		202,578
	Vanguard	VAIPX - Vanguard Inflation Protected Securities		64,498
	Vanguard	VBILX - Vanguard Intermediate-Term Bond Index Ad		42,333
	Vanguard	VBIRX - Vanguard Short-Term Bond Index Admiral		15,883
	Vanguard	VBTLX - Vanguard Total Bond Market Index Admiral		50,752
	Vanguard	VFFVX - Vanguard Target Retirement 2055		28,464
	Vanguard	VFIFX - Vanguard Target Retirement 2050		37,397
	Vanguard	VFORX - Vanguard Target Retirement 2040		141,686
	Vanguard	VGELX - Vanguard Energy Admiral		266,090
	Vanguard	VGSLX - Vanguard Real Estate Index Admiral		25,187
	Vanguard	VIMAX - Vanguard Mid Cap Index Admiral		192,314
	Vanguard	VINAX - Vanguard Industrial Index Admiral		376,402
	Vanguard	VITAX - Vanguard Information Technology Index Ad		466,398
	Vanguard	VMFXX - Vanguard Federal Money Market		2,554,216
	Vanguard	VMMXX - Vanguard Money Market Prime		7
	Vanguard	VSGAX - Vanguard Small Cap Growth Index Adm		230,938
	Vanguard	VSGDX - Vanguard Short-Term Federal Admiral		2,252,673
	Vanguard	VSMAX - Vanguard Small Cap Index Admiral		99,495
	Vanguard	VTAPX - Vanguard Short-Term Inf Prot Index Admir		1,376
	Vanguard	VTHRX - Vanguard Target Retirement 2030		134,445
	Vanguard	VTINX - Vanguard Target Retirement Income		47,689
	Vanguard	VTIVX - Vanguard Target Retirement 2045		455,977
	Vanguard	VTSEX - Vanguard Total Stock Market Index Admira		3,645,980
	Vanguard	VTTHX - Vanguard Target Retirement 2035		102,334
	Vanguard	VTTSX - Vanguard Target Retirement 2060		2,572
	Vanguard	VTTVX - Vanguard Target Retirement 2025		76,336
	Vanguard	VTWNX - Vanguard Target Retirement 2020		81,409
	Vanguard	VTXVX - Vanguard Target Retirement 2015		126
	Participant Loan	4.25% - 6.00%		390,429