

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

Part II	Basic Plan Information —enter all requested information
1a Name of plan HARBOR ELECTRONICS, INC. 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/2015
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) HARBOR ELECTRONICS, INC. 3021 KENNETH STREET SANTA CLARA, CA 95054	2b Employer Identification Number (EIN) 47-4899457
	2c Plan Sponsor's telephone number 408-988-6544
	2d Business code (see instructions) 334410

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.	10/09/2023	CHRISTOPHER BROWN
	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 (2022)
v. 220413

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		5 195
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) 156
a(2) Total number of active participants at the end of the plan year		6a(2) 149
b Retired or separated participants receiving benefits		6b 2
c Other retired or separated participants entitled to future benefits.....		6c 43
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 194
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 194
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 194
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 16
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D		
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)		9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust	(3) ☒ Trust	
(4) ☐ General assets of the sponsor	(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		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan HARBOR ELECTRONICS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HARBOR ELECTRONICS, INC.	D Employer Identification Number (EIN) 47-4899457	

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

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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)

FORESIGHT WEALTH MANAGEMENT

27-2830751

(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	FINANCIAL ADVISOR	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MWG RETIREMENT PLAN SERVICES

72-1396518

(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	RECORDKEEPER	5275	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) 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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>HARBOR ELECTRONICS, INC. 401(K) 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 ELECTRONICS, INC.</u>	D Employer Identification Number (EIN) <u>47-4899457</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	1390	3193
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)	700237	744997
(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)	435878	476814
(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)	8237301	7153371
(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	9374806	8378375

Liabilities

g Benefit claims payable	1g	9357	
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	27193	15884
k Total liabilities (add all amounts in lines 1g through 1j)	1k	36550	15884

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9338256	8362491
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	266496	
(B) Participants	2a(1)(B)	920705	
(C) Others (including rollovers)	2a(1)(C)	64825	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1252026
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)	26807	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		26807
(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)		-1388696
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-109863
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	850296	
(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)		850296
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)	5606	
(3) Investment advisory and management fees	2i(3)	10000	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		15606
j Total expenses. Add all expense amounts in column (b) and enter total	2j		865902
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-975765
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) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: HAYNIE & COMPANY

(2) EIN: 87-0325228

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.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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	
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?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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.)	X		
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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

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

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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan HARBOR ELECTRONICS, INC. 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 HARBOR ELECTRONICS, INC.		D Employer Identification Number (EIN) 47-4899457
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): 58-1428634		
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) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	14a	
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14b	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)		
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): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Harbor Electronics, Inc. 401(k) Plan

Financial Statements and
Independent Auditors' Reports with
Supplemental Information

Years Ended December 31, 2022 and 2021



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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Harbor Electronics, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of Harbor Electronics, Inc. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Harbor Electronics, Inc. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Harbor Electronics, Inc. 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Harbor Electronics, Inc. 401(k) Plan 's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Harbor Electronics, Inc. 401(k) Plan 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harbor Electronics, Inc. 401(k) Plan 's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

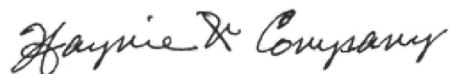
Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule of Assets Held at End of Year as of December 31, 2022 is presented for purposes 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 ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Haynie & Company
Salt Lake City, Utah
October 6, 2023

Harbor Electronics, Inc. 401(k) Plan
Statements of Net Assets Available for Benefits
As of December 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Investments at fair value:		
Mutual funds	\$ 7,153,371	\$ 8,237,301
Money market fund	744,997	700,237
Total investments at fair value	7,898,368	8,937,538
Notes receivable from participants	476,814	435,878
Total receivables	476,814	435,878
Non-interest bearing cash	3,193	1,390
Total assets	8,378,375	9,374,806
Liabilities		
Other liabilities	15,884	36,550
Total liabilities	15,884	36,550
Net assets available for benefits	\$ 8,362,491	\$ 9,338,256

The accompanying notes are an integral part of these financial statements.

Harbor Electronics, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits As of December 31 2022

Additions to net assets attributable to:

Interest income from notes receivable from participants	\$ 26,807
---	-----------

Contributions:

Employee deferrals	920,705
Rollovers	64,825
Employer	266,496
Total contributions	1,252,026
Total additions	1,278,833

Deductions from net assets attributed to:

Net depreciation in fair value of investments	1,388,696
Benefits paid to participants	850,296
Administrative expenses	15,606
Total deductions	2,254,598

Net decrease in net assets available for benefits	(975,765)
--	------------------

Net assets available for benefit, beginning of year	9,338,256
---	-----------

Net assets available for benefits, end of year	\$ 8,362,491
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The accompanying notes are an integral part of these financial statements.

Harbor Electronics, Inc. 401(k) Plan

Notes to Financial Statements

Year Ended December 31, 2022

1. Description of Plan

General

The following description of the Harbor Electronics, Inc. 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.

The Plan is a defined contribution plan that was established on December 1, 2015, by Harbor Electronics, Inc. (Plan Sponsor), formerly known as Fastest Technology, Inc., to provide benefits to eligible employees, as defined in the Plan document. The Plan is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code), and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participant Contributions

Participants may elect to contribute their eligible pre-tax or after-tax compensation (as Roth contributions) to the Plan up to the amount allowable under the Plan document and Internal Revenue Service guidelines, which were \$20,500 for 2022 and \$19,500 for 2021. Participants who are at least age 50 or will attain age 50 before the end of the calendar year are eligible to defer additional amounts ("catch-up contribution") to the Plan. The maximum catch-up contribution that one eligible participant can make was \$6,500 for 2022 and 2021. Participants who have the Plan Sponsor contribute a portion of their compensation to the Plan agree to accept an equivalent reduction in taxable compensation. Contributions withheld are invested in accordance with the participant's direction.

Participants are also allowed to make rollover contributions of amounts received from other tax-qualified employer-sponsored retirement plans. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provisions.

Employer Contributions

The Plan Sponsor may elect to make contributions to the Plan in the form of discretionary matching contributions, as defined in the Plan and as approved by the Board of Directors. During 2022 and 2021, the Plan Sponsor matched 50% of each eligible participant's contribution up to a maximum of 6% of the participant's eligible compensation. The plan administrator performs a true up calculation at the end of the year for employer match to ensure the accuracy.

Participant Accounts

Each participant's account is credited with the participant's contribution, plan earnings or losses, and an allocation of the Plan Sponsor's contributions, if any. Allocation of Harbor Electronics' contributions is based on participant contributions or eligible employee compensation, as defined in the Plan.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

1. Description of Plan (continued)

Vesting

Participants are immediately vested in their own contributions. Participants are fully vested in the employer's matching contributions allocated to their account after six years of credited service, 20% each year after two years. Participant vesting dates are based upon original hire dates by the Plan Sponsor.

Forfeitures

The non-vested portion of a terminated participant's account balance is called a forfeiture and remains in the plan. Forfeitures are used to reduce the Plan Sponsor's matching contribution. As of December 31, 2022 and 2021, non-vested account balances forfeited into the Plan were \$22,219 and \$34,702, respectively. Forfeitures totaling \$-0- were used to reduce the matching contributions during the year ended December 31, 2022.

Payment of Benefits

Upon termination, the participants or beneficiaries may elect to leave their account balance in the Plan, receive their total benefits in a lump sum amount equal to the value of the participant's vested balance of less than \$1,000, which may be automatically paid out by the Plan upon termination or participation in the Plan. Any terminated participants with a vested balance between \$1,000 and \$5,000 may still be paid out if their balance is rolled into a qualified individual Retirement Account (IRA). The plan transfers terminated employees with balances below \$5,000 into an IRA account, which is done intermittently by MWG. Distributions may also be made at the participant's election prior to termination upon attainment of age 59 ½ or eligible hardship, as defined in the Plan document.

Notes Receivable from Participants

The Plan allows participants to borrow no less than \$500 up to the lesser of \$50,000 or 50% of their vested account balance. The notes receivable are secured by the participant's vested balance. Such notes receivable bear interest at the available market financing rates and must be repaid to the Plan within a five-year period, unless the proceeds are used for the purchase of a principal residence in which case the maximum repayment period may be up to 15 years. The specific terms and conditions of such notes receivable are established by the Plan Sponsor. Outstanding notes receivable at December 31, 2022, carry interest rates ranging from 3.25% to 7.50%.

Termination of the Plan

The Plan Sponsor intends to continue the Plan indefinitely for the benefit of its participants; however, it reserves the right to terminate or modify the Plan at any time by resolution of its Board of Directors and subject to the provisions of ERISA. In the event the Plan is terminated, participants would become fully vested in their accounts

Harbor Electronics, Inc. 401(k) Plan

Notes to Financial Statements (continued)

Year Ended December 31, 2022

1. Description of Plan (continued)

Custodian and Administration of the Plan

The Plan Sponsor has appointed a Retirement Committee (the Committee) to manage the operation and administration of the Plan. The record-keeper and third-party administrator of the Plan was Automatic Data Processing, Inc. ("ADP") prior to January 1, 2021. As of January 1, 2021 the record-keeper and third-party administrator was MWG Retirement Plan Services.

Reliance Trust Company held the assets of the Plan, and acted as the trustee and custodian prior to January 1, 2021. As of January 1, 2021, the trustee and custodian of the plan was Fidelity Personal Trust Company ("the Custodian"). There was a black out period from February 22, 2021 to March 22, 2021 where assets were all activity was frozen so the assets could be moved over to new custodian. The Custodian holds all assets of the Plan in accordance with the provisions of the service provider contract with the Plan Sponsor.

Administration Expenses

The Plan expenses may be charged pro rata to each participant in relation to the size of each participant's account balance or may be charged equally to each participant. Substantially all expenses incurred for administering the Plan are paid by the Plan Sponsor; however, some types of expenses may be charged only to some participants based upon their use of a plan feature or receipt of a plan distribution. During 2022, total administrative expenses totaled \$15,606.

2. Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and the changes in those net assets in accordance with accounting principles accepted in the United States of America

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities during the reporting period. Actual results could differ from those estimates and assumptions.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

2. Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

The investments are reported at fair value. If available, quoted market prices are used to value investments.

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 discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and/or sold as well as held during the year.

Excess contributions payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. As of December 31, 2022 and 2021, there were \$0 and \$9,357 excess contributions, respectively.

Other Liabilities

The company has other liabilities which are comprised of net amounts due to a brokerage account.

Payment of Benefits

Benefits to participants are recorded when paid.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when earned. Delinquent notes receivable are reclassified as distributions based upon the occurrence of a distributable event as described in the terms of the Plan document. As of December 31, 2022 and 2021, the notes receivable from participants had a total balance of \$476,814 and \$435,878, respectively. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

2. Significant Accounting Policies (continued)

Risks and Uncertainties

The Plan provides for various investment options in any combination of investment securities offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in market values, interest rates, or other factors in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

3. Unaudited Information Certified by the Custodian

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the Custodian:

- a) Total investments as shown in the accompanying Statement of Net Assets Available for Benefits of \$7,898,368 and \$8,937,538 as of December 31, 2022 and 2021, respectively.
- b) Net investment depreciation as shown in the accompanying Statement of Changes in Net Assets Available for Benefits of \$1,388,696 for the year ended December 31, 2022.
- c) Sch H. Line 4i – Schedule of Assets (Held at End of Year)

The Plan Sponsor has elected the method of compliance permitted by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Accordingly, as permitted under such election, the Plan Sponsor instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information certified as complete and accurate by Fidelity Personal Trust Company, the custodian, except for comparing such information to the related information included in the Plan's financial statements and supplemental schedule.

4. Fair Value Measurements

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

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

4. Fair Value Measurements (continued)

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the techniques and inputs used at December 31, 2022 and 2021.

Mutual Funds and Money Market Fund: Valued at the daily closing price as reported on the active market as reported by the Custodian. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. The mutual funds held by the Plan are deemed to be actively traded.

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

The following sets forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2022 and 2021:

<u>2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 7,153,371	\$ -	\$ -	\$ 7,153,371
Money market fund	<u>744,997</u>	<u>-</u>	<u>-</u>	<u>744,997</u>
Investments at fair value	<u>\$ 7,898,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,898,368</u>

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

<u>2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 8,237,301	\$ -	\$ -	\$ 8,237,301
Money market fund	<u>700,237</u>	<u>-</u>	<u>-</u>	<u>700,237</u>
Investments at fair value	<u>\$ 8,937,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,937,538</u>

5. Transactions with Parties in Interest and Related Parties

Related parties and parties in interest include the Third-party administrator, the Custodian, the Auditor, and the Plan Sponsor. In addition, certain employees of the Plan Sponsor are considered to be parties in interest, such as the Plan administrator, owners, executives, directors, or members of the investment committee.

As described in Note 1, the Plan pays for certain expenses related to Plan operations and investment activities to various service providers. These transactions are considered to be party in interest transactions. During 2022 and 2021, employees, including some of the parties in interest as noted above, contributed to the Plan and received an employer match contribution. None of the transactions mentioned above were identified as prohibited transactions.

6. Tax Status

On July 8, 2014, the United States Treasury Department advised the TPA that the Prototype Non-Standardized Profit Sharing Plan with CODA was acceptable under Section 401(a) of the IRC and was therefore exempt from federal income taxes. Although the Plan has been amended since receiving the IRS determination letter, the Plan administrator and the Plan's management believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code, and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the applicable taxing authorities. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, 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. With few exceptions, the Plan is no longer subject to tax examinations by the U.S. federal, state, or local tax authorities for years before 2019.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

7. Reconciliation of the Financials Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements and the Form 5500 as of December 31, 2022:

	<u>2022</u>	<u>2021</u>
Net assets available for plan benefits per financial statements	\$ 8,362,491	\$9,338,256
Excess contributions payable	<u>-</u>	<u>-</u>
Net assets available for plan benefits per Form 5500	<u>\$ 8,362,491</u>	<u>\$9,338,256</u>
Net decrease in net assets available for benefits per financial statements	\$ (975,765)	
Excess contributions payable	<u>-</u>	
Net decrease in net assets available for plan benefits per Form 5500	<u>\$ (975,765)</u>	

8. Subsequent Events

The Plan evaluated all events and transactions that occurred after December 31, 2022 through October 6, 2023, the date these financial statements were available to be issued. During this period, the Plan did not have any material recognizable subsequent event.

Supplemental Information

Harbor Electronics, Inc. 401(k) Plan
Plan #001, EIN 47-4899457
Schedule of Assets Held at End of Year
Form 5500, Schedule H, Line 4i
December 31, 2022

(a)*	(b) Identity of Issuer, 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
Money market fund				
*	Fidelity Personal Trust Company	FIDELITY GOVT MONEY MARKET	**	\$ 22,220
	Wells Fargo	WELLS FARGO FD TR GOVT MNY MKT		722,777
		TOTAL MONEY MARKET FUND		744,997
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2025	**	1,707,273
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2035	**	1,693,516
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2030	**	1,383,027
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2020	**	658,764
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2040	**	412,891
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2055	**	195,949
	Vanguard	VANGUARD SHORT-TERM COPR BD IDX ADMIRAL	**	128,782
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2045	**	116,682
	Vanguard	VANGUARD HIGH-YIELD CORPORATE INV	**	100,490
*	Fidelity Personal Trust Company	FIDELITY 500 INDEX FUND	**	83,595
	Vanguard	VANGUARD SMALL CAP VALUE INDEX ADMIRAL	**	78,800
	Vanguard	VANGUARD SHORT TERM COPR BD INDEX ADM	**	61,136
	Vanguard	VANGUARD MID CAP GRW INDEX ADMIRAL	**	60,915
*	Fidelity Personal Trust Company	TIAA-CREF LARGE CAP GR IDX INSTL	**	59,193
*	Fidelity Personal Trust Company	TIAA-CREF INTERNATIONAL EQ IDX INSTL	**	56,217
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2050	**	56,108
	Vanguard	VANGUARD HEALTH CARE INDEX ADM	**	48,805
	Vanguard	VANGUARD FTSE ALL WORLD EX US SM CAP	**	46,795
*	Fidelity Personal Trust Company	FIDELITY MID CAP INDEX FD	**	42,801
*	Fidelity Personal Trust Company	FIDELITY SMALL CAP INDEX FS INSTL PREM CL	**	37,184
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2060	**	33,034
*	Fidelity Personal Trust Company	FIDELITY REAL ESTATE INDEX FUND	**	30,658
	Vanguard	VANGUARD VALUE INDEX ADM	**	19,887
*	Fidelity Personal Trust Company	LORD ABBETT FLTG RATE FD R6	**	8,983
	Vanguard	VANGUARD EMG MKTS MD FD ADMRL SHS	**	7,733
	Vanguard	VANGUARD INFORMATION TECHNOLOGY INDX	**	7,207
	Vanguard	VANGUARD SMALL CAP GRW INDEX ADMIRAL	**	6,790
*	Fidelity Personal Trust Company	FIDELITY EMERG MKTS INDEX FS INST PRE	**	5,829
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2065	**	3,353
	Vanguard	VANGUARD INTERM-TERM INV GRADE ADM	**	492
	IS SHARES	ISSHARES HORT TERM TIPS BOND INDEX FD CL K	**	483
		TOTAL MUTUAL FUNDS		7,153,371
		TOTAL INVESTMENTS		\$ 7,898,368
	Non Interest Bearing Cash			3,193
*	Participant Loans	Interest rate ranging from 3.25% to 7.50%	-\$0-	476,814
		TOTAL		\$ 8,378,375

* Indicates party-in-interest as defined by ERISA.

** These are participant-directed investments of an individual account plan. Therefore, the cost is omitted.
The above information has been certified by Fidelity Personal Trust Company, the custodian and trustee, as complete and accurate.

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022			
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) _____		
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐		

Part II	Basic Plan Information—enter all requested information		
1a Name of plan	Harbor Electronics, Inc. 401(k) Plan	1b Three-digit plan number (PN) ▶	001
		1c Effective date of plan	01/01/2015
2a Plan sponsor's name (employer, if for a single-employer plan)	2b Employer Identification Number (EIN)		
Mailing address (include room, apt., suite no. and street, or P.O. Box)	47-4899457		
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)	2c Plan Sponsor's telephone number		
Harbor Electronics, Inc.	(408) 988-6544		
3021 Kenneth Street	2d Business code (see instructions)		
Santa Clara	CA	95054	334410

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		10/10/2023	CHRISTOPHER BROWN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		Date	Enter name of individual signing as employer or plan sponsor
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE		Date	Enter name of individual signing as DFE
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)
v. 220413

Harbor Electronics, Inc. 401(k) Plan

Financial Statements and
Independent Auditors' Reports with
Supplemental Information

Years Ended December 31, 2022 and 2021



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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Harbor Electronics, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of Harbor Electronics, Inc. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Harbor Electronics, Inc. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of and for the years ended December 31, 2022 and 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Harbor Electronics, Inc. 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Harbor Electronics, Inc. 401(k) Plan 's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Harbor Electronics, Inc. 401(k) Plan 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harbor Electronics, Inc. 401(k) Plan 's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

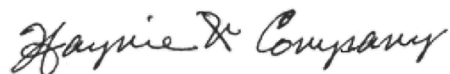
Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule of Assets Held at End of Year as of December 31, 2022 is presented for purposes 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 ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Haynie & Company
Salt Lake City, Utah
October 6, 2023

Harbor Electronics, Inc. 401(k) Plan
Statements of Net Assets Available for Benefits
As of December 31, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Investments at fair value:		
Mutual funds	\$ 7,153,371	\$ 8,237,301
Money market fund	744,997	700,237
Total investments at fair value	7,898,368	8,937,538
Notes receivable from participants	476,814	435,878
Total receivables	476,814	435,878
Non-interest bearing cash	3,193	1,390
Total assets	8,378,375	9,374,806
Liabilities		
Other liabilities	15,884	36,550
Total liabilities	15,884	36,550
Net assets available for benefits	\$ 8,362,491	\$ 9,338,256

The accompanying notes are an integral part of these financial statements.

Harbor Electronics, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits As of December 31 2022

Additions to net assets attributable to:

Interest income from notes receivable from participants	\$ 26,807
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Contributions:

Employee deferrals	920,705
Rollovers	64,825
Employer	266,496

Total contributions	1,252,026
----------------------------	------------------

Total additions	1,278,833
------------------------	------------------

Deductions from net assets attributed to:

Net depreciation in fair value of investments	1,388,696
Benefits paid to participants	850,296
Administrative expenses	15,606

Total deductions	2,254,598
-------------------------	------------------

Net decrease in net assets available for benefits	(975,765)
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Net assets available for benefit, beginning of year	9,338,256
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Net assets available for benefits, end of year	\$ 8,362,491
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The accompanying notes are an integral part of these financial statements.

Harbor Electronics, Inc. 401(k) Plan

Notes to Financial Statements

Year Ended December 31, 2022

1. Description of Plan

General

The following description of the Harbor Electronics, Inc. 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.

The Plan is a defined contribution plan that was established on December 1, 2015, by Harbor Electronics, Inc. (Plan Sponsor), formerly known as Fastest Technology, Inc., to provide benefits to eligible employees, as defined in the Plan document. The Plan is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code), and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participant Contributions

Participants may elect to contribute their eligible pre-tax or after-tax compensation (as Roth contributions) to the Plan up to the amount allowable under the Plan document and Internal Revenue Service guidelines, which were \$20,500 for 2022 and \$19,500 for 2021. Participants who are at least age 50 or will attain age 50 before the end of the calendar year are eligible to defer additional amounts ("catch-up contribution") to the Plan. The maximum catch-up contribution that one eligible participant can make was \$6,500 for 2022 and 2021. Participants who have the Plan Sponsor contribute a portion of their compensation to the Plan agree to accept an equivalent reduction in taxable compensation. Contributions withheld are invested in accordance with the participant's direction.

Participants are also allowed to make rollover contributions of amounts received from other tax-qualified employer-sponsored retirement plans. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provisions.

Employer Contributions

The Plan Sponsor may elect to make contributions to the Plan in the form of discretionary matching contributions, as defined in the Plan and as approved by the Board of Directors. During 2022 and 2021, the Plan Sponsor matched 50% of each eligible participant's contribution up to a maximum of 6% of the participant's eligible compensation. The plan administrator performs a true up calculation at the end of the year for employer match to ensure the accuracy.

Participant Accounts

Each participant's account is credited with the participant's contribution, plan earnings or losses, and an allocation of the Plan Sponsor's contributions, if any. Allocation of Harbor Electronics' contributions is based on participant contributions or eligible employee compensation, as defined in the Plan.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

1. Description of Plan (continued)

Vesting

Participants are immediately vested in their own contributions. Participants are fully vested in the employer's matching contributions allocated to their account after six years of credited service, 20% each year after two years. Participant vesting dates are based upon original hire dates by the Plan Sponsor.

Forfeitures

The non-vested portion of a terminated participant's account balance is called a forfeiture and remains in the plan. Forfeitures are used to reduce the Plan Sponsor's matching contribution. As of December 31, 2022 and 2021, non-vested account balances forfeited into the Plan were \$22,219 and \$34,702, respectively. Forfeitures totaling \$-0- were used to reduce the matching contributions during the year ended December 31, 2022.

Payment of Benefits

Upon termination, the participants or beneficiaries may elect to leave their account balance in the Plan, receive their total benefits in a lump sum amount equal to the value of the participant's vested balance of less than \$1,000, which may be automatically paid out by the Plan upon termination or participation in the Plan. Any terminated participants with a vested balance between \$1,000 and \$5,000 may still be paid out if their balance is rolled into a qualified individual Retirement Account (IRA). The plan transfers terminated employees with balances below \$5,000 into an IRA account, which is done intermittently by MWG. Distributions may also be made at the participant's election prior to termination upon attainment of age 59 ½ or eligible hardship, as defined in the Plan document.

Notes Receivable from Participants

The Plan allows participants to borrow no less than \$500 up to the lesser of \$50,000 or 50% of their vested account balance. The notes receivable are secured by the participant's vested balance. Such notes receivable bear interest at the available market financing rates and must be repaid to the Plan within a five-year period, unless the proceeds are used for the purchase of a principal residence in which case the maximum repayment period may be up to 15 years. The specific terms and conditions of such notes receivable are established by the Plan Sponsor. Outstanding notes receivable at December 31, 2022, carry interest rates ranging from 3.25% to 7.50%.

Termination of the Plan

The Plan Sponsor intends to continue the Plan indefinitely for the benefit of its participants; however, it reserves the right to terminate or modify the Plan at any time by resolution of its Board of Directors and subject to the provisions of ERISA. In the event the Plan is terminated, participants would become fully vested in their accounts

Harbor Electronics, Inc. 401(k) Plan

Notes to Financial Statements (continued)

Year Ended December 31, 2022

1. Description of Plan (continued)

Custodian and Administration of the Plan

The Plan Sponsor has appointed a Retirement Committee (the Committee) to manage the operation and administration of the Plan. The record-keeper and third-party administrator of the Plan was Automatic Data Processing, Inc. ("ADP") prior to January 1, 2021. As of January 1, 2021 the record-keeper and third-party administrator was MWG Retirement Plan Services.

Reliance Trust Company held the assets of the Plan, and acted as the trustee and custodian prior to January 1, 2021. As of January 1, 2021, the trustee and custodian of the plan was Fidelity Personal Trust Company ("the Custodian"). There was a black out period from February 22, 2021 to March 22, 2021 where assets were all activity was frozen so the assets could be moved over to new custodian. The Custodian holds all assets of the Plan in accordance with the provisions of the service provider contract with the Plan Sponsor.

Administration Expenses

The Plan expenses may be charged pro rata to each participant in relation to the size of each participant's account balance or may be charged equally to each participant. Substantially all expenses incurred for administering the Plan are paid by the Plan Sponsor; however, some types of expenses may be charged only to some participants based upon their use of a plan feature or receipt of a plan distribution. During 2022, total administrative expenses totaled \$15,606.

2. Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and the changes in those net assets in accordance with accounting principles accepted in the United States of America

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities during the reporting period. Actual results could differ from those estimates and assumptions.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

2. Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

The investments are reported at fair value. If available, quoted market prices are used to value investments.

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 discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and/or sold as well as held during the year.

Excess contributions payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. As of December 31, 2022 and 2021, there were \$0 and \$9,357 excess contributions, respectively.

Other Liabilities

The company has other liabilities which are comprised of net amounts due to a brokerage account.

Payment of Benefits

Benefits to participants are recorded when paid.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when earned. Delinquent notes receivable are reclassified as distributions based upon the occurrence of a distributable event as described in the terms of the Plan document. As of December 31, 2022 and 2021, the notes receivable from participants had a total balance of \$476,814 and \$435,878, respectively. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

2. Significant Accounting Policies (continued)

Risks and Uncertainties

The Plan provides for various investment options in any combination of investment securities offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in market values, interest rates, or other factors in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

3. Unaudited Information Certified by the Custodian

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the Custodian:

- a) Total investments as shown in the accompanying Statement of Net Assets Available for Benefits of \$7,898,368 and \$8,937,538 as of December 31, 2022 and 2021, respectively.
- b) Net investment depreciation as shown in the accompanying Statement of Changes in Net Assets Available for Benefits of \$1,388,696 for the year ended December 31, 2022.
- c) Sch H. Line 4i – Schedule of Assets (Held at End of Year)

The Plan Sponsor has elected the method of compliance permitted by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the ERISA. Accordingly, as permitted under such election, the Plan Sponsor instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information certified as complete and accurate by Fidelity Personal Trust Company, the custodian, except for comparing such information to the related information included in the Plan's financial statements and supplemental schedule.

4. Fair Value Measurements

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

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

4. Fair Value Measurements (continued)

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the techniques and inputs used at December 31, 2022 and 2021.

Mutual Funds and Money Market Fund: Valued at the daily closing price as reported on the active market as reported by the Custodian. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. The mutual funds held by the Plan are deemed to be actively traded.

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

The following sets forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2022 and 2021:

<u>2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 7,153,371	\$ -	\$ -	\$ 7,153,371
Money market fund	<u>744,997</u>	<u>-</u>	<u>-</u>	<u>744,997</u>
Investments at fair value	<u>\$ 7,898,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,898,368</u>

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

<u>2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 8,237,301	\$ -	\$ -	\$ 8,237,301
Money market fund	<u>700,237</u>	<u>-</u>	<u>-</u>	<u>700,237</u>
Investments at fair value	<u>\$ 8,937,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,937,538</u>

5. Transactions with Parties in Interest and Related Parties

Related parties and parties in interest include the Third-party administrator, the Custodian, the Auditor, and the Plan Sponsor. In addition, certain employees of the Plan Sponsor are considered to be parties in interest, such as the Plan administrator, owners, executives, directors, or members of the investment committee.

As described in Note 1, the Plan pays for certain expenses related to Plan operations and investment activities to various service providers. These transactions are considered to be party in interest transactions. During 2022 and 2021, employees, including some of the parties in interest as noted above, contributed to the Plan and received an employer match contribution. None of the transactions mentioned above were identified as prohibited transactions.

6. Tax Status

On July 8, 2014, the United States Treasury Department advised the TPA that the Prototype Non-Standardized Profit Sharing Plan with CODA was acceptable under Section 401(a) of the IRC and was therefore exempt from federal income taxes. Although the Plan has been amended since receiving the IRS determination letter, the Plan administrator and the Plan's management believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code, and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the applicable taxing authorities. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022, 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. With few exceptions, the Plan is no longer subject to tax examinations by the U.S. federal, state, or local tax authorities for years before 2019.

Harbor Electronics, Inc. 401(k) Plan
Notes to Financial Statements (continued)
Year Ended December 31, 2022

7. Reconciliation of the Financials Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements and the Form 5500 as of December 31, 2022:

	<u>2022</u>	<u>2021</u>
Net assets available for plan benefits per financial statements	\$ 8,362,491	\$9,338,256
Excess contributions payable	<u>-</u>	<u>-</u>
Net assets available for plan benefits per Form 5500	<u><u>\$ 8,362,491</u></u>	<u><u>\$9,338,256</u></u>
Net decrease in net assets available for benefits per financial statements	\$ (975,765)	
Excess contributions payable	<u>-</u>	
Net decrease in net assets available for plan benefits per Form 5500	<u><u>\$ (975,765)</u></u>	

8. Subsequent Events

The Plan evaluated all events and transactions that occurred after December 31, 2022 through October 6, 2023, the date these financial statements were available to be issued. During this period, the Plan did not have any material recognizable subsequent event.

Supplemental Information

Harbor Electronics, Inc. 401(k) Plan
Plan #001, EIN 47-4899457
Schedule of Assets Held at End of Year
Form 5500, Schedule H, Line 4i
December 31, 2022

(a)*	(b) Identity of Issuer, 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
Money market fund				
*	Fidelity Personal Trust Company	FIDELITY GOVT MONEY MARKET	**	\$ 22,220
	Wells Fargo	WELLS FARGO FD TR GOVT MNY MKT		722,777
		TOTAL MONEY MARKET FUND		744,997
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2025	**	1,707,273
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2035	**	1,693,516
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2030	**	1,383,027
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2020	**	658,764
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2040	**	412,891
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2055	**	195,949
	Vanguard	VANGUARD SHORT-TERM COPR BD IDX ADMIRAL	**	128,782
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2045	**	116,682
	Vanguard	VANGUARD HIGH-YIELD CORPORATE INV	**	100,490
*	Fidelity Personal Trust Company	FIDELITY 500 INDEX FUND	**	83,595
	Vanguard	VANGUARD SMALL CAP VALUE INDEX ADMIRAL	**	78,800
	Vanguard	VANGUARD SHORT TERM COPR BD INDEX ADM	**	61,136
	Vanguard	VANGUARD MID CAP GRW INDEX ADMIRAL	**	60,915
*	Fidelity Personal Trust Company	TIAA-CREF LARGE CAP GR IDX INSTL	**	59,193
*	Fidelity Personal Trust Company	TIAA-CREF INTERNATIONAL EQ IDX INSTL	**	56,217
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2050	**	56,108
	Vanguard	VANGUARD HEALTH CARE INDEX ADM	**	48,805
	Vanguard	VANGUARD FTSE ALL WORLD EX US SM CAP	**	46,795
*	Fidelity Personal Trust Company	FIDELITY MID CAP INDEX FD	**	42,801
*	Fidelity Personal Trust Company	FIDELITY SMALL CAP INDEX FS INSTL PREM CL	**	37,184
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2060	**	33,034
*	Fidelity Personal Trust Company	FIDELITY REAL ESTATE INDEX FUND	**	30,658
	Vanguard	VANGUARD VALUE INDEX ADM	**	19,887
*	Fidelity Personal Trust Company	LORD ABBETT FLTG RATE FD R6	**	8,983
	Vanguard	VANGUARD EMG MKTS MD FD ADMRL SHS	**	7,733
	Vanguard	VANGUARD INFORMATION TECHNOLOGY INDX	**	7,207
	Vanguard	VANGUARD SMALL CAP GRW INDEX ADMIRAL	**	6,790
*	Fidelity Personal Trust Company	FIDELITY EMERG MKTS INDEX FS INST PRE	**	5,829
*	Fidelity Personal Trust Company	FIDELITY FREEDOM INDEX 2065	**	3,353
	Vanguard	VANGUARD INTERM-TERM INV GRADE ADM	**	492
	IS SHARES	ISSHARES HORT TERM TIPS BOND INDEX FD CL K	**	483
		TOTAL MUTUAL FUNDS		7,153,371
		TOTAL INVESTMENTS		\$ 7,898,368
	Non Interest Bearing Cash			3,193
*	Participant Loans	Interest rate ranging from 3.25% to 7.50%	-\$0-	476,814
		TOTAL		\$ 8,378,375

* Indicates party-in-interest as defined by ERISA.

** These are participant-directed investments of an individual account plan. Therefore, the cost is omitted.
The above information has been certified by Fidelity Personal Trust Company, the custodian and trustee, as complete and accurate.