

BENCHMARK ELECTRONICS INC
Form 11-K
June 28, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 30, 2017.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1 10560

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

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BENCHMARK ELECTRONICS, INC. 401(K) EMPLOYEE SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BENCHMARK ELECTRONICS, INC.

4141 N. SCOTTSDALE ROAD

SCOTTSDALE, ARIZONA 85251

REQUIRED INFORMATION

The following financial statements and schedules have been prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, as amended:

1. Statements of Net Assets Available for Benefits as of December 30, 2017 and 2016
2. Statement of Changes in Net Assets Available for Benefits for the year ended December 30, 2017
3. Schedule H, line 4i - Schedule of Assets (Held at End of Year) - December 30, 2017*

EXHIBITS

23 Consent of Independent Registered Public Accounting Firm – Moss Adams LLP

23.1 Consent of Independent Registered Public Accounting Firm – Hein & Associates LLP

* Other schedules required by section 2520.103-10 are omitted because they are not applicable.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed by the undersigned hereunto duly authorized.

	BENCHMARK ELECTRONICS, INC.
	401(K) EMPLOYEE SAVINGS PLAN
	By: <u>/s/ Roop K. Lakkaraju</u>
	Roop K. Lakkaraju
	<i>Chief Financial Officer</i>
	<i>Benchmark Electronics, Inc.</i>
	Date: June 28, 2018

BENCHMARK ELECTRONICS, INC.

401(k) EMPLOYEE SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 30, 2017 and 2016

(With Reports of Independent Registered Public Accounting Firms)

BENCHMARK ELECTRONICS, INC.

401(k) EMPLOYEE SAVINGS PLAN

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator and Participants of
Benchmark Electronics, Inc. 401(k) Employee Savings Plan

Opinion on the Financial Statements

We have audited the accompanying statement of net assets available for benefits of the Benchmark Electronics, Inc. 401(k) Employee Savings Plan (the Plan) as of December 30, 2017, the related statement of changes in net assets available for benefits for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 30, 2017, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion on the Supplemental Schedule

The supplemental schedule included in Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 30, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with Department of Labor's Rules and Regulations for Reporting and

Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Moss Adams LLP

Denver, Colorado

June 28, 2018

We have served as the Plan's auditor since 2018.

Report of Independent Registered Public Accounting Firm

To the Plan Administrator and Participants of
Benchmark Electronics, Inc. 401(k) Employee Savings Plan

We have audited the accompanying statement of net assets available for benefits of the Benchmark Electronics, Inc. 401(k) Employee Savings Plan (the Plan) as of December 30, 2016. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 30, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ Hein & Associates LLP

Denver, Colorado

June 28, 2017

BENCHMARK ELECTRONICS, INC.**401(k) EMPLOYEE SAVINGS PLAN**

Statements of Net Assets Available for Benefits

December 30, 2017 and 2016

	2017	2016
Assets		
Investments at fair value	\$ 210,786,257	\$ 170,409,230
Investments at contract value	67,824,222	65,430,603
Receivables:		
Employer contributions	241,839	94,424
Participant contributions	230,738	172,697
Other	57,105	-
Notes receivable from participants	4,795,549	4,500,447
Total receivables	5,325,231	4,767,568
Net assets available for benefits	\$ 283,935,710	\$ 240,607,401

See accompanying notes to the financial statements.

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BENCHMARK ELECTRONICS, INC.**401(k) EMPLOYEE SAVINGS PLAN**

Statement of Changes in Net Assets Available for Benefits

Year ended December 30, 2017

Additions

Investment income:

Interest	\$ 1,149,768
Dividends	1,783,796
Net appreciation in fair value of investments	29,288,833

32,222,397

Interest income on notes receivable from participants 206,596

Contributions:

Employer	5,430,938
Participant	12,375,919
Rollovers	1,298,135

19,104,992

Total additions 51,533,985

Deductions

Benefits paid to participants	20,055,140
Administrative expenses	21,900

Total deductions 20,077,040

Transfer of assets from Secure Communication Systems Retirement Savings Plan 11,871,364

Net increase in net assets available for benefits 43,328,309

Net assets available for benefits:

Beginning of year 240,607,401

End of year \$ 283,935,710

See accompanying notes to the financial statements.

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BENCHMARK ELECTRONICS, INC.

401(k) EMPLOYEE SAVINGS PLAN

Notes to Financial Statements

(1) Description of Plan

The following description of the Benchmark Electronics, Inc. 401(k) Employee Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering all employees of Benchmark Electronics, Inc. (the Company) and the following affiliates of the Company: Benchmark Electronics Huntsville Inc.; Benchmark Electronics Manufacturing Solutions, Inc.; Benchmark Electronics Manufacturing Solutions (Moorpark), Inc.; Secure Communication Systems, Inc.; Tactical Micro, Inc.; Smart Electronics and Assembly, Inc.; and Lark Engineering Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Effective December 1, 2009, the Plan adopted the Prudential Retirement Prototype Plan (the Prototype Plan).

The Plan is administered by the Company and advised by the board of directors of the Company and the investment committee. Prudential Bank & Trust, FSB is trustee of the Plan, and Prudential Retirement Insurance and Annuity Company (Prudential) is the record keeper.

Effective March 31, 2017, the net assets of the Secure Communication Systems Retirement Savings Plan (the Secure Plan) totaling \$11,871,364 were merged with and transferred to the Plan. The investments of the Secure Plan, except for the five year guaranteed interest accounts issued by Principal Life Insurance Company (GICs), were liquidated and invested in investments of the Plan with similar investment objectives. The GICs were transferred over at contract value from the Secure Plan and continue to be held by Principal Life Insurance Company (the Custodian). Upon expiration, the GICs will be liquidated and invested in the Prudential Guaranteed Income Fund.

(b) Contributions and Investment Options

Participants may elect to make pre-tax contributions of up to 100% (in 1.0% increments) of their compensation, as defined. Participant contributions will be matched by the Company on a 100% basis, not to exceed 4.0% of a participant's compensation (referred to as employer contributions) upon completion of one year of service. The Company may also elect to make an employer discretionary contribution to all employees employed at the end of the Plan year who have completed 1,000 hours of service during such year. The Company did not make a discretionary contribution during the 2017 Plan year. Certain Internal Revenue Service (IRS) limits may apply to both the participants' contributions and the employers' contributions. Eligible participants may also elect to roll over distributions from a former employer's qualified retirement plan.

Participants direct the investment of all contributions into various investment options offered by the Plan. The Plan currently offers 15 mutual funds, Company common stock and an insurance investment contract as investment options for participants.

BENCHMARK ELECTRONICS, INC.

401(k) EMPLOYEE SAVINGS PLAN

Notes to Financial Statements

(c) Participant Accounts

Each participant's account is credited with the participant's contributions and employer matching contributions and an allocation of discretionary employer contributions, if any, and plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(d) Vesting

Participants are immediately vested in their contributions, employer matching contributions and the actual earnings thereon.

(e) Notes Receivable from Participants

Upon application by a participant, the Plan administrator may make loans to participants not to exceed 50% of their 401(k) vested balance, with a minimum of \$1,000 and a maximum of \$50,000 less the participant's highest outstanding loan balance during the preceding 12 months. Participants' loans are to be repaid by level monthly payroll deductions of principal plus interest or may be prepaid in full or in part without penalty at any time. The interest rate is set at the prime rate plus 1%. Loan proceeds are reduced by a \$75 loan processing fee.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at December 30, 2017, or 2016. Delinquent loans are treated as distributions based upon the terms of the Plan document.

(f) Administrative Expenses

Administrative expenses of the Plan are paid partly by the Company and partly by the Plan. Mutual fund redemption fees and investment advisory fees paid by participants are reported in administrative expenses in the accompanying statement of changes in net assets available for benefits. Expenses related to the asset management of the investment funds and recordkeeping services are paid via the expense ratios charged on the investments, which reduce the investment return reported and credited to participant accounts. Consequently, these management fees and operating expenses are reflected as a reduction of investment return for such investments. In addition, the Company incurs certain expenses administering the Plan, which are not included in the Plan's financial statements.

(g) *Payment of Benefits*

On termination of service, a participant may elect to receive either a lump-sum amount equal to the vested value of his/her account, an annuity with various terms and rates or roll the vested balance over to another qualified plan.

While employed, a participant may make withdrawals from his or her account balance (as allowed under IRS regulations) subject to certain restrictions as described in the Plan. Certain restrictions associated with withdrawals may be waived in the event a participant demonstrates financial hardship.

BENCHMARK ELECTRONICS, INC.

401(k) EMPLOYEE SAVINGS PLAN

Notes to Financial Statements

(h) Termination of the Plan

Although the Company has not expressed any intent to terminate the Plan, it may do so as provided by the Plan agreement.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

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

(b) Investment Valuation