

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  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 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	OMB Nos. 1210-0110 1210-0089  <b>2012</b>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information						
<b>1a</b> Name of plan <u>RETIREMENT SAVINGS PLAN - KDC</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan <u>06/01/1997</u></td> </tr> </table>	<b>1b</b> Three-digit plan number (PN) ▶	<u>001</u>	<b>1c</b> Effective date of plan <u>06/01/1997</u>			
<b>1b</b> Three-digit plan number (PN) ▶	<u>001</u>						
<b>1c</b> Effective date of plan <u>06/01/1997</u>							
<b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)  <u>KEMPER DEVELOPMENT COMPANY</u>  <u>575 BELLEVUE SQUARE</u> <u>BELLEVUE, WA 98004</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>2b</b> Employer Identification Number (EIN) <u>91-1310034</u></td> <td style="width: 20%;"></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number <u>425-646-3660</u></td> <td></td> </tr> <tr> <td><b>2d</b> Business code (see instructions) <u>531310</u></td> <td></td> </tr> </table>	<b>2b</b> Employer Identification Number (EIN) <u>91-1310034</u>		<b>2c</b> Sponsor's telephone number <u>425-646-3660</u>		<b>2d</b> Business code (see instructions) <u>531310</u>	
<b>2b</b> Employer Identification Number (EIN) <u>91-1310034</u>							
<b>2c</b> Sponsor's telephone number <u>425-646-3660</u>							
<b>2d</b> Business code (see instructions) <u>531310</u>							

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

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

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature. Signature of plan administrator	09/25/2013 Date	CHRISTA CHAMBERS Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	09/25/2013 Date	CHRISTA CHAMBERS Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

<b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address  <b>KEMPER DEVELOPMENT COMPANY</b>  <b>575 BELLEVUE SQUARE</b> <b>BELLEVUE, WA 98004</b>		<b>3b</b> Administrator's EIN <b>91-1310034</b>
		<b>3c</b> Administrator's telephone number <b>425-646-3660</b>
<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: <b>a</b> Sponsor's name		<b>4b</b> EIN  <b>4c</b> PN
<b>5</b> Total number of participants at the beginning of the plan year		<b>5</b> 181
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....	<b>6a</b>	144
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	0
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	20
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b>	164
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	2
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	<b>6f</b>	166
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	160
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	10
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....		<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: <b>2E 2F 2G 2J 2K 2T 3D</b>		
<b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
<b>9a</b> Plan funding arrangement (check all that apply) <b>(1)</b> <input type="checkbox"/> Insurance <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts <b>(3)</b> <input checked="" type="checkbox"/> Trust <b>(4)</b> <input type="checkbox"/> General assets of the sponsor		<b>9b</b> Plan benefit arrangement (check all that apply) <b>(1)</b> <input type="checkbox"/> Insurance <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts <b>(3)</b> <input checked="" type="checkbox"/> Trust <b>(4)</b> <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
<b>a Pension Schedules</b> <b>(1)</b> <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  <b>(2)</b> <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  <b>(3)</b> <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		<b>b General Schedules</b> <b>(1)</b> <input checked="" type="checkbox"/> <b>H</b> (Financial Information) <b>(2)</b> <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) <b>(3)</b> <input type="checkbox"/> <b>A</b> (Insurance Information) <b>(4)</b> <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) <b>(5)</b> <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) <b>(6)</b> <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

<b>SCHEDULE C</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2012</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

<b>A</b> Name of plan <u>RETIREMENT SAVINGS PLAN - KDC</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>KEMPER DEVELOPMENT COMPANY</u>	<b>D</b> Employer Identification Number (EIN) <u>91-1310034</u>

**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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04-2647786

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**(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)

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(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?
64 37 65 60	RECORDKEEPER	6588	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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

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

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

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

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

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



**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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MSIF MID CAP GRTH P - MORGAN STANLE  13-3799749	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIMCO LOW DUR ADM - BOSTON FINANCIA P.O. BOX 8480 BOSTON, MA 02266	0.27%	
(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

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

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>► File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2012</b>  <b>This Form is Open to Public Inspection</b>
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
<b>A</b> Name of plan <u>RETIREMENT SAVINGS PLAN - KDC</u>		<b>B</b> Three-digit plan number (PN) <span style="float: right;"><u>001</u></span>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>KEMPER DEVELOPMENT COMPANY</u>		<b>D</b> Employer Identification Number (EIN)  <u>91-1310034</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
<b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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.				
	<b>Assets</b>			
<b>a</b>	Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b>	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions .....	<b>1b(1)</b>		
	(2) Participant contributions .....	<b>1b(2)</b>		
	(3) Other.....	<b>1b(3)</b>		
<b>c</b>	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	527417	455812
	(2) U.S. Government securities.....	<b>1c(2)</b>		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred .....	<b>1c(3)(A)</b>		
	(B) All other.....	<b>1c(3)(B)</b>		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred .....	<b>1c(4)(A)</b>		
	(B) Common .....	<b>1c(4)(B)</b>		
	(5) Partnership/joint venture interests .....	<b>1c(5)</b>		
	(6) Real estate (other than employer real property) .....	<b>1c(6)</b>		
	(7) Loans (other than to participants) .....	<b>1c(7)</b>		
	(8) Participant loans .....	<b>1c(8)</b>	40303	34878
	(9) Value of interest in common/collective trusts.....	<b>1c(9)</b>		
	(10) Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
	(11) Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
	(12) Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	5684799	6987048
	(14) Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
	(15) Other .....	<b>1c(15)</b>		

<b>1d</b> Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	6252519	7477738

**Liabilities**

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

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	6252519	7477738
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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
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	211077	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	569272	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		780349
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	44	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	2375	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		2419
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	155252	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		155252
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		
(5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....	<b>2b(5)(A)</b>		
<b>(B)</b> Other .....	<b>2b(5)(B)</b>		
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		798157
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		1736177

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	504367	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		504367
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Investment advisory and management fees .....	<b>2i(3)</b>		
(4) Other .....	<b>2i(4)</b>	6591	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		6591
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		510958

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		1225219
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: SWEENEY CONRAD, P.S.

(2) EIN: 91-1301672

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

	Yes	No	Amount
<b>4a</b>		X	
<b>4b</b>		X	

	Yes	No	Amount
<b>c</b> 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.) .....		X	
<b>d</b> 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.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		5000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> 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? .....		X	
<b>h</b> 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? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> 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.).....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> 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. ....		X	

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2012</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

<b>A</b> Name of plan <u>RETIREMENT SAVINGS PLAN - KDC</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>KEMPER DEVELOPMENT COMPANY</u>	<b>D</b> Employer Identification Number (EIN) <u>91-1310034</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): <u>04-6568107</u>		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (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)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>If the plan is a defined benefit plan, go to line 8.</b>			
<b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____ <b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b>			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> 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).....	<b>6c</b>		
<b>If you completed line 6c, skip lines 8 and 9.</b>			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> 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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (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.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</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.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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



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

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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 .....	<b>16b</b>	

- 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): \_\_\_\_\_

# **RETIREMENT SAVINGS PLAN - KDC**

EIN: 91-1310034

PLAN NO. 001

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2012 and 2011



**RETIREMENT SAVINGS PLAN - KDC**  
**Financial Statements and Supplemental Schedule**  
**December 31, 2012 and 2011**

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## INDEPENDENT AUDITORS' REPORT

August 13, 2013

To the Plan Administrator and Administrative Committee  
Retirement Savings Plan - KDC

### Report on Financial Statements

We were engaged to audit the financial statements of Retirement Savings Plan - KDC (the Plan), which comprise the statements of net assets available for benefits – modified cash basis as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits – modified cash basis for the year ended December 31, 2012, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### Auditor's Responsibility

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

### Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan's investment assets, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the trustee is complete and accurate.

### Disclaimer of Opinion

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

### Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted.

### Other Matter

The supplemental schedule of Schedule of Assets (Held at End of Year) – Modified Cash Basis, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

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

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

*Sweeney Conrad, P.S.*

Sweeney Conrad, P.S.  
Bellevue, Washington

**RETIREMENT SAVINGS PLAN - KDC**  
**Statements of Net Assets Available for Benefits-**  
**Modified Cash Basis**

---

	December 31,	
	2012	2011
<b>ASSETS</b>		
Investments in mutual funds, at fair value (Notes 2, 3, 4, and 6)	\$ 7,442,860	\$ 6,212,216
Notes receivable from participants	34,878	40,303
Net assets available for benefits	<b>\$ 7,477,738</b>	<b>\$ 6,252,519</b>

See accompanying notes to financial statements

**RETIREMENT SAVINGS PLAN - KDC**  
**Statement of Changes in Net Assets Available for Benefits-**  
**Modified Cash Basis**  
**Year ended December 31, 2012**

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Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of mutual funds	<u>\$ 953,453</u>
--	-------------------

Interest on notes receivable from participants	<u>2,375</u>
--	--------------

Contributions:

Participants	569,272
--------------	---------

Plan sponsor	<u>211,077</u>
--------------	----------------

Total contributions	<u>780,349</u>
---------------------	----------------

Total additions	<u>1,736,177</u>
-----------------	------------------

Deductions from net assets attributed to:

Benefits paid to participants	504,367
-------------------------------	---------

Administrative expenses (Notes 1 and 6)	<u>6,591</u>
---	--------------

Total deductions	<u>510,958</u>
------------------	----------------

Net increase in net assets available for benefits	1,225,219
---	-----------

Net assets available for benefits:

Beginning of the year	<u>6,252,519</u>
-----------------------	------------------

End of the year	<u>\$ 7,477,738</u>
-----------------	---------------------

# **RETIREMENT SAVINGS PLAN - KDC**

## **Notes to Financial Statements**

**December 31, 2012 and 2011**

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### **NOTE 1 - ORGANIZATION AND DESCRIPTION OF THE PLAN**

The following description of the Retirement Savings Plan - KDC (the Plan) provides only general information. Participants should refer to the Plan document for more complete information.

#### **General**

The Plan is a defined contribution plan and has been in effect since June 1, 1997. The Plan has been amended to comply with current legislation. The Plan covers all employees of Kemper Development Company (the Company). Employees become eligible for participation after one year of service (with a minimum of 1,000 hours) and the attainment of age 21. Employees are eligible to receive matching contributions at the time they begin deferring compensation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Contributions**

The Plan provides for automatic enrollment of employees. Newly eligible employees are enrolled in the Plan at a salary reduction rate of 1%. The Plan provides for the automatic acceleration of the salary reduction rate by 1% annually for employees with automatic enrollment contributions. The salary reduction rate for these employees is limited to 3%. Participants may elect to contribute up to 75% of their pre-tax eligible compensation to the Plan, within statutory limits. These contributions are paid to the Plan after each pay period. Participants may elect to change or stop the payroll deductions at any time. Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans.

The Company makes discretionary matching contributions which are funded at the end of each pay period. During 2012, the Company matched 50% of the first 6% of compensation that a participant contributed to the Plan. At the option of the Board of Directors, the Company may also make an annual profit sharing contribution each year. No profit sharing contribution was made in 2012.

#### **Participant Accounts**

Individual participant accounts are maintained by Fidelity Workplace Services, LLC (FWS), the Plan's third party administrator. Each account is credited or charged with the participant's contribution, the Company's contributions, if any, allocations of investment income and losses on the individual account balances, and administrative expenses, if any. Loan fees are deducted from the respective participant's account. Allocations are based on participant compensation, account balances, or specific participant transactions, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.



## **Investment Options**

Participants direct employee and employer contributions among twenty-seven mutual funds available through Fidelity Management Trust Company (Fidelity).

## **Vesting**

Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary profit sharing contributions is based on years of credited service, as defined in the Plan document, with 20% vesting each year after two years, and 100% vesting after six years of service. Upon normal retirement (65), death or disability, participants become fully vested in all benefits.

## **Notes Receivable from Participants**

Participants who satisfy the immediate and heavy financial needs conditions as defined by the Plan may borrow from their account a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their vested account balance. Terms of the notes receivable may not exceed five years except for the purchase of a primary residence, in which case the note receivable term may be ten years. The notes receivable are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the third party administrator at the time of issuance. The interest rate charged on the outstanding notes receivable was 6.25% as of December 31, 2012. Principal and interest are paid ratably through payroll deductions.

## **Payment of Benefits**

Benefits may be distributed upon retirement, death, disability or other termination of employment. Benefits equal to the value of the participants vested account are paid in a lump sum. Under certain hardship circumstances, participants may request a lump-sum distribution of their vested account balances prior to retirement.

## **Forfeited Accounts**

Upon termination, participants' non-vested account balances are forfeited. Forfeitures may be used to pay administrative expenses if not paid by the Company. Forfeitures of \$6,313 were used to pay expenses in 2012 (see Note 6). Forfeited non-vested accounts totaled \$9,173 and \$6,725 at December 31, 2012 and 2011, respectively.

## **Administrative Expenses**

Mutual fund expenses, including 12(b)1 revenue sharing fees, are deducted from each fund's earnings to arrive at net appreciation as reported in the accompanying statement of changes in net assets available for benefits. 12(b)1 revenue sharing fees collected by FWS from certain Plan mutual fund investments are used by FWS to offset its record keeping expenses. Participant loan and distribution transaction fees charged by Fidelity are deducted from the accounts of the respective Plan participants. Other recordkeeping and trustee expenses are paid to Fidelity out of the forfeiture account, and certain other administrative expenses of the Plan are paid by the Company.

## **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The following are significant accounting policies used by the Plan:

### **Basis of Accounting**

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). That basis differs from GAAP in that contributions are recorded when received instead of when withheld from employees or due from the employer and expenses are recognized when paid instead of when incurred.

### **Use of Estimates**

The preparation of financial statements on the modified cash basis of accounting requires the Plan to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the investment advisor and trustee. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. Interest and dividends reinvested in the individual mutual funds are also reported in net appreciation.

### **Notes Receivable from Participants**

Notes receivable from participants are measured at their unpaid principal balances. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2012 or 2011. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

### **Payment of Benefits**

Benefits are recorded when paid.

### NOTE 3 - FAIR VALUE MEASUREMENTS

The modified cash basis of accounting requires the use of an established framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access (level 1 measurements) and the lowest priority to inputs to the valuation methodology that are unobservable and significant to the fair value measurement (level 3 measurements). 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 methodologies used at December 31, 2012 and 2011:

**Mutual funds** - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded (level 1 measurement).

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

The following table sets forth by nature and risk of investment, and level within the hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011 (all level 1 measurement):

	<b>2012</b>	<b>2011</b>
Mutual funds:		
Large cap core funds	<b>\$ 3,032,914</b>	\$ 2,367,236
Mid cap funds	<b>1,669,782</b>	1,308,259
Large cap growth funds	<b>1,414,721</b>	1,192,719
Money market funds	<b>455,812</b>	527,416
Fixed income funds	<b>417,918</b>	371,410
Other	<b>451,713</b>	445,176
Total mutual funds	<b>\$ 7,442,860</b>	\$ 6,212,216

#### NOTE 4 - INVESTMENTS

The following investments represent 5% or more of the Plan's net assets available for benefits as of December 31 of either year:

	2012	2011
Fidelity Blue Chip Fund	\$ 1,223,822	\$ 1,054,583
Fidelity Dividend Growth Fund	922,122	753,337
Fidelity Value Fund	885,667	741,750
Fidelity Spartan U.S. Equity Index Fund	680,612	379,468
Fidelity Retirement Money Market Fund	455,812	527,416
Fidelity Leveraged Company Stock Fund	455,383	295,032
Fidelity Total Bond Fund	402,531	109,479

#### NOTE 5 - INFORMATION CERTIFIED BY TRUSTEE

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Fidelity is the trustee of the Plan's investments and notes receivable from participants. Accordingly, the trustee has certified that the following data included in the accompanying financial statements, notes and supplemental schedule is complete and accurate:

- 1) Fair value of mutual funds as of December 31, 2012 and 2011.
- 2) Outstanding balances of notes receivable from participants as of December 31, 2012 and 2011.
- 3) Interest on notes receivable and net appreciation in fair value of investments for the year ended December 31, 2012.

The Plan's independent auditor did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements, notes and supplemental schedule.

#### NOTE 6 - RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity, the trustee as defined by the Plan. Therefore, transactions with Fidelity and its affiliates qualify as related party transactions. The Plan paid \$6,591 to FWS (an affiliate of Fidelity) for administrative services during the year ended December 31, 2012. 12(b)1 revenue sharing fees collected by FWS from certain Plan mutual fund investments are used by FWS to offset its record keeping expenses.

#### NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

## **NOTE 8 - TAX STATUS**

The Internal Revenue Service has determined and informed the Plan by letters dated August 3, 2005, that the Plan and related trust were designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letters. However, the Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

The modified cash basis of accounting requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for periods prior to December 31, 2009.

## **NOTE 9 - RISKS AND UNCERTAINTIES**

The Plan allows participants to invest in investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with the investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

## **NOTE 10 – SUBSEQUENT EVENTS**

The date to which events occurring after December 31, 2012, have been evaluated for possible adjustment to the financial statements or disclosure therein is August 13, 2013, which is the date on which the financial statements were available to be issued.

**SUPPLEMENTAL SCHEDULE  
REQUIRED BY THE DEPARTMENT OF LABOR**

**RETIREMENT SAVINGS PLAN - KDC****EIN - 91-1310034****Plan Number - 001****Schedule H, Item 4i; (Form 5500)****Schedule of Assets (Held at End of Year) - Modified Cash Basis****December 31, 2012**

(a) Party- in- interest	(b) Identity of issue, borrower, lessor or other similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current Value
	Fidelity Funds:		
*	Blue Chip Growth Fund	Mutual Fund	\$ 1,223,822
*	Dividend Growth Fund	Mutual Fund	922,122
*	Value Fund	Mutual Fund	885,667
*	Spartan U.S. Equity Index Fund	Mutual Fund	680,612
*	Retirement Money Market Fund	Mutual Fund	455,812
*	Leveraged Company Stock Fund	Mutual Fund	455,383
*	Total Bond Fund	Mutual Fund	402,531
*	Diversified International Fund	Mutual Fund	349,838
*	Freedom 2015 Fund	Mutual Fund	323,327
*	Freedom 2025 Fund	Mutual Fund	272,762
*	Capital Appreciation Fund	Mutual Fund	190,899
*	Freedom Income Fund	Mutual Fund	178,113
*	Freedom 2020 Fund	Mutual Fund	163,827
*	Freedom 2045 Fund	Mutual Fund	105,255
*	Small Cap Stock Fund	Mutual Fund	101,875
*	Freedom 2010 Fund	Mutual Fund	59,624
*	Freedom 2050 Fund	Mutual Fund	55,448
*	Freedom 2040 Fund	Mutual Fund	54,596
*	Freedom 2030 Fund	Mutual Fund	48,451
*	Freedom 2035 Fund	Mutual Fund	33,842
*	Freedom 2000 Fund	Mutual Fund	13,743
*	Freedom 2055 Fund	Mutual Fund	614
	MSIF Mid Cap Growth Portfolio	Mutual Fund	246,069
	Columbia Dividend Income Fund	Mutual Fund	120,578
	Artisan Mid Cap Value Fund	Mutual Fund	82,663
	Janus High Yield Bond Fund	Mutual Fund	11,613
	PIMCO Low Duration Fund	Mutual Fund	3,774
*	Notes receivable from participants	Mature through 2017, with interest at 6.25%	34,878

This schedule was derived from data certified by Fidelity Management Trust Company

# **RETIREMENT SAVINGS PLAN - KDC**

EIN: 91-1310034

PLAN NO. 001

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2012 and 2011





**RETIREMENT SAVINGS PLAN - KDC**  
**Financial Statements and Supplemental Schedule**  
**December 31, 2012 and 2011**

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## INDEPENDENT AUDITORS' REPORT

August 13, 2013

To the Plan Administrator and Administrative Committee  
Retirement Savings Plan - KDC

### Report on Financial Statements

We were engaged to audit the financial statements of Retirement Savings Plan - KDC (the Plan), which comprise the statements of net assets available for benefits – modified cash basis as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits – modified cash basis for the year ended December 31, 2012, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### Auditor's Responsibility

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

### Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan's investment assets, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the trustee is complete and accurate.

### Disclaimer of Opinion

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

### Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted.

### Other Matter

The supplemental schedule of Schedule of Assets (Held at End of Year) – Modified Cash Basis, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

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

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

*Sweeney Conrad, P.S.*

Sweeney Conrad, P.S.  
Bellevue, Washington

**RETIREMENT SAVINGS PLAN - KDC**  
**Statements of Net Assets Available for Benefits-**  
**Modified Cash Basis**

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	December 31,	
	2012	2011
<b>ASSETS</b>		
Investments in mutual funds, at fair value (Notes 2, 3, 4, and 6)	\$ 7,442,860	\$ 6,212,216
Notes receivable from participants	34,878	40,303
Net assets available for benefits	<b>\$ 7,477,738</b>	<b>\$ 6,252,519</b>

See accompanying notes to financial statements

**RETIREMENT SAVINGS PLAN - KDC**  
**Statement of Changes in Net Assets Available for Benefits-**  
**Modified Cash Basis**  
**Year ended December 31, 2012**

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Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of mutual funds	<u>\$ 953,453</u>
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Interest on notes receivable from participants	<u>2,375</u>
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Contributions:

Participants	569,272
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Plan sponsor	<u>211,077</u>
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Total contributions	<u>780,349</u>
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Total additions	<u>1,736,177</u>
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Deductions from net assets attributed to:

Benefits paid to participants	504,367
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Administrative expenses (Notes 1 and 6)	<u>6,591</u>
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Total deductions	<u>510,958</u>
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Net increase in net assets available for benefits	1,225,219
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Net assets available for benefits:

Beginning of the year	<u>6,252,519</u>
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End of the year	<u>\$ 7,477,738</u>
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# **RETIREMENT SAVINGS PLAN - KDC**

## **Notes to Financial Statements**

**December 31, 2012 and 2011**

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### **NOTE 1 - ORGANIZATION AND DESCRIPTION OF THE PLAN**

The following description of the Retirement Savings Plan - KDC (the Plan) provides only general information. Participants should refer to the Plan document for more complete information.

#### **General**

The Plan is a defined contribution plan and has been in effect since June 1, 1997. The Plan has been amended to comply with current legislation. The Plan covers all employees of Kemper Development Company (the Company). Employees become eligible for participation after one year of service (with a minimum of 1,000 hours) and the attainment of age 21. Employees are eligible to receive matching contributions at the time they begin deferring compensation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

#### **Contributions**

The Plan provides for automatic enrollment of employees. Newly eligible employees are enrolled in the Plan at a salary reduction rate of 1%. The Plan provides for the automatic acceleration of the salary reduction rate by 1% annually for employees with automatic enrollment contributions. The salary reduction rate for these employees is limited to 3%. Participants may elect to contribute up to 75% of their pre-tax eligible compensation to the Plan, within statutory limits. These contributions are paid to the Plan after each pay period. Participants may elect to change or stop the payroll deductions at any time. Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans.

The Company makes discretionary matching contributions which are funded at the end of each pay period. During 2012, the Company matched 50% of the first 6% of compensation that a participant contributed to the Plan. At the option of the Board of Directors, the Company may also make an annual profit sharing contribution each year. No profit sharing contribution was made in 2012.

#### **Participant Accounts**

Individual participant accounts are maintained by Fidelity Workplace Services, LLC (FWS), the Plan's third party administrator. Each account is credited or charged with the participant's contribution, the Company's contributions, if any, allocations of investment income and losses on the individual account balances, and administrative expenses, if any. Loan fees are deducted from the respective participant's account. Allocations are based on participant compensation, account balances, or specific participant transactions, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

## **Investment Options**

Participants direct employee and employer contributions among twenty-seven mutual funds available through Fidelity Management Trust Company (Fidelity).

## **Vesting**

Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary profit sharing contributions is based on years of credited service, as defined in the Plan document, with 20% vesting each year after two years, and 100% vesting after six years of service. Upon normal retirement (65), death or disability, participants become fully vested in all benefits.

## **Notes Receivable from Participants**

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## **Payment of Benefits**

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## **Forfeited Accounts**

Upon termination, participants' non-vested account balances are forfeited. Forfeitures may be used to pay administrative expenses if not paid by the Company. Forfeitures of \$6,313 were used to pay expenses in 2012 (see Note 6). Forfeited non-vested accounts totaled \$9,173 and \$6,725 at December 31, 2012 and 2011, respectively.

## **Administrative Expenses**

Mutual fund expenses, including 12(b)1 revenue sharing fees, are deducted from each fund's earnings to arrive at net appreciation as reported in the accompanying statement of changes in net assets available for benefits. 12(b)1 revenue sharing fees collected by FWS from certain Plan mutual fund investments are used by FWS to offset its record keeping expenses. Participant loan and distribution transaction fees charged by Fidelity are deducted from the accounts of the respective Plan participants. Other recordkeeping and trustee expenses are paid to Fidelity out of the forfeiture account, and certain other administrative expenses of the Plan are paid by the Company.

## **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The following are significant accounting policies used by the Plan:

### **Basis of Accounting**

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). That basis differs from GAAP in that contributions are recorded when received instead of when withheld from employees or due from the employer and expenses are recognized when paid instead of when incurred.

### **Use of Estimates**

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### **Payment of Benefits**

Benefits are recorded when paid.



### NOTE 3 - FAIR VALUE MEASUREMENTS

The modified cash basis of accounting requires the use of an established framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access (level 1 measurements) and the lowest priority to inputs to the valuation methodology that are unobservable and significant to the fair value measurement (level 3 measurements). 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.

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REQUIRED BY THE DEPARTMENT OF LABOR**

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*	Dividend Growth Fund	Mutual Fund	922,122
*	Value Fund	Mutual Fund	885,667
*	Spartan U.S. Equity Index Fund	Mutual Fund	680,612
*	Retirement Money Market Fund	Mutual Fund	455,812
*	Leveraged Company Stock Fund	Mutual Fund	455,383
*	Total Bond Fund	Mutual Fund	402,531
*	Diversified International Fund	Mutual Fund	349,838
*	Freedom 2015 Fund	Mutual Fund	323,327
*	Freedom 2025 Fund	Mutual Fund	272,762
*	Capital Appreciation Fund	Mutual Fund	190,899
*	Freedom Income Fund	Mutual Fund	178,113
*	Freedom 2020 Fund	Mutual Fund	163,827
*	Freedom 2045 Fund	Mutual Fund	105,255
*	Small Cap Stock Fund	Mutual Fund	101,875
*	Freedom 2010 Fund	Mutual Fund	59,624
*	Freedom 2050 Fund	Mutual Fund	55,448
*	Freedom 2040 Fund	Mutual Fund	54,596
*	Freedom 2030 Fund	Mutual Fund	48,451
*	Freedom 2035 Fund	Mutual Fund	33,842
*	Freedom 2000 Fund	Mutual Fund	13,743
*	Freedom 2055 Fund	Mutual Fund	614
	MSIF Mid Cap Growth Portfolio	Mutual Fund	246,069
	Columbia Dividend Income Fund	Mutual Fund	120,578
	Artisan Mid Cap Value Fund	Mutual Fund	82,663
	Janus High Yield Bond Fund	Mutual Fund	11,613
	PIMCO Low Duration Fund	Mutual Fund	3,774
*	Notes receivable from participants	Mature through 2017, with interest at 6.25%	34,878

This schedule was derived from data certified by Fidelity Management Trust Company