Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
LERCH BATES 401(K) RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1982

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

LERCH BATES INC.

8089 S LINCOLN ST STE 300
LITTLETON, CO 80122-2721

2b Employer Identification Number (EIN)
36-2285171

2c Sponsor's telephone number
303-795-7956

2d Business code (see instructions)
541330

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2014	AMANDA NELSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2014	AMANDA NELSON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

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

3b Administrator's EIN

3c Administrator's telephone number

4 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:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	164
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	147
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	24
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	171
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	172
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	147
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2013** **This Form is Open to Public Inspection.**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan	**B** Three-digit plan number (PN) ▶	
LERCH BATES 401(K) RETIREMENT PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
LERCH BATES INC.	36-2285171	

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Enter name and EIN or address of person who provided you disclosure 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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	2655	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name: SPICER JEFFREYS	**b** EIN:	84-1210311
c	Position: ACCOUNTANT		
d	Address: 5251 S QUEBEC STREET, SUITE 200 GREENWOOD VILLAGE, CO 80111	**e** Telephone:	303-753-0338

Explanation: ALIGNMENT WITH THE AUDITING FIRM CONDUCTING THE FINANCIAL AUDITS FOR THE PLAN SPONSOR. THEREFORE, THE NEW ACCOUNTANT FOR THE 401K PLAN IS ASSIGNED TO ANTON COLLINS MITCHELL LLP AND SPICER JEFFREYS WILL NOT BE ENGAGED.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
LERCH BATES 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LERCH BATES INC.

D Employer Identification Number (EIN)
36-2285171

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	232	131
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	220191	276031
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	13369632	17309987
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	13590055	17586149
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	13590055	17586149

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	490514	
(B) Participants	2a(1)(B)	798316	
(C) Others (including rollovers)	2a(1)(C)	641384	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1930214
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	10083	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		10083
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	249764	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		249764
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		2534531
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		4724592
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	725843	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		725843
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	2655	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		2655
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		728498
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3996094
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: ANTON COLLINS MITCHELL LLP **(2)** EIN: 01-0724563

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		685303
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	0

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	0
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	0
e	Was this plan covered by a fidelity bond?	4e	X		1280000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under 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).

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

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
LERCH BATES 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LERCH BATES INC.

D Employer Identification Number (EIN)
36-2285171

Part I Distributions

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

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

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

EIN(s): 42-0127290

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Lerch Bates 401(k) Retirement Plan

Financial Statements and Supplemental Schedules

As of December 31, 2013 and 2012
and for the Year Ended December 31, 2013

ACM
Anton Collins Mitchell LLP
Accountants & Consultants

AN INDEPENDENT MEMBER OF
BDO
ALLIANCE USA

Lerch Bates 401(k) Retirement Plan

Financial Statements and Supplemental Schedules

As of December 31, 2013 and 2012
and for the Year Ended December 31, 2013

Lerch Bates 401(k) Retirement Plan

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ACM
Anton Collins Mitchell LLP
Accountants & Consultants

Independent Auditor's Report

To the Plan Administrator of the
Lerch Bates 401(k) Retirement Plan
Littleton, Colorado

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Lerch Bates 401(k) Retirement Plan (the "Plan"), which comprise the statement of net assets available for plan benefits as of December 31, 2013, and the related statement of changes in net assets available for plan benefits for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the 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 4, which was certified by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2013 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2013 and for the year then ended 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 on the 2013 financial statements. Accordingly, we do not express an opinion on the 2013 financial statements.

Other Matters – Supplemental Schedules

The supplemental schedule of assets (held at end of year) as of December 31, 2013 and schedule of delinquent participant contributions for the year ended December 31, 2013 are required by the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Other Matters – 2012 Financial Statements

The financial statements of the Plan as of December 31, 2012, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated September 12, 2013, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (b) the form and content of the information included in the financial statements other than that derived from information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance With DOL Rules and Regulations 2013

The form and content of the information included in the 2013 financial statements and supplemental schedules, 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 States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Anton Collins Mitchell LLP
Denver, Colorado
September 29, 2014

Lerch Bates 401(k) Retirement Plan

Statements of Net Assets Available for Plan Benefits

As of December 31,	**2013**	2012
Assets:		
Investments, at fair value:		
Mutual funds	**$ 17,309,987**	$ 13,369,632
Receivables:		
Participant contributions	**131**	232
Notes receivable from participants	**276,031**	220,191
Net assets available for plan benefits	**$ 17,586,149**	$ 13,590,055

See accompanying independent auditor's report and notes to financial statements.

Lerch Bates 401(k) Retirement Plan

Statement of Changes in Net Assets Available for Plan Benefits

For the Year Ended December 31,		**2013**
Additions to (deductions from) net assets attributed to:		
Contributions:		
Participant	**$**	**798,316**
Employer		**490,514**
Participant rollover		**641,384**
Total contributions		**1,930,214**
Investment income:		
Interest and dividend income		**249,764**
Net appreciation in fair value of investments		**2,534,531**
Interest earned on notes receivable from participants		**10,083**
Net investment income and interest earned on notes receivable		**2,794,378**
Benefits paid to participants and loans deemed distributed		**(725,843)**
Administrative fees		**(2,655)**
Net increase in net assets available for plan benefits		**3,996,094**
Net assets available for plan benefits, beginning of year		**13,590,055**
Net assets available for plan benefits, end of year	**$**	**17,586,149**

See accompanying independent auditor's report and notes to financial statements.

Lerch Bates 401(k) Retirement Plan

Notes to Financial Statements

1. PLAN DESCRIPTION

The following description of the Lerch Bates 401(k) Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan was adopted by Lerch Bates, Inc. (the "Company") effective November 1, 1982, and has been most recently amended and restated as of May 1, 2012. The Plan is a defined contribution plan covering eligible employees of the Company. The Plan was established under the provisions of Section 401(a) of the Internal Revenue Code ("IRC"), which includes a qualified deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Benefits under the Plan are not guaranteed by the Pension Benefit Guaranty Corporation.

Trustee and Administration of the Plan

The trustee and recordkeeper of the Plan is Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company ("Principal" or "Trustee"). The administrator of the Plan is the Company. The Trustee holds all assets of the Plan in accordance with the provisions of the trust agreement and service provider contract with the Company. The Plan's Investment Committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Eligibility

Each employee is eligible to become a participant in the Plan on the first day of the pay period following attainment of age 21 and completion of two months of service. Employees are eligible to receive the employer Safe Harbor matching contributions upon completion of twelve months of consecutive service and 1,000 hours. Employees of Lerch Bates Inspection Services LLC are not eligible to participate in the Plan.

Contributions

Participants may contribute up to 85% of their eligible annual compensation on a pre-tax or Roth after-tax basis, subject to certain IRC limitations ($17,500 for 2013). The Plan also allows catch-up contributions for participants over the age of 50 based on IRC limitations ($5,500 for 2013).

1. PLAN DESCRIPTION (CONTINUED)

The Plan includes an auto-enrollment provision whereby all employees hired November 1, 2008 and later are automatically enrolled in the Plan unless they affirmatively elect not to participate or affirmatively elect a different deferral rate. Automatically enrolled participants have their deferral rate (on a pre-tax basis) set at 3% of eligible compensation.

The Plan is a Safe Harbor Plan which provides for employer non-discretionary matching contributions that are fully vested when made. The Company matches 100% of up to the first 6% of compensation, as defined, that a participant contributes to the Plan, not to exceed certain IRC limitations.

Rollover contributions from other qualified plans or individual retirement accounts may also be made to the Plan if certain criteria are met.

Participants' Accounts

Participants' accounts are credited with participant pre-tax, Roth after-tax and rollover contribtions, employer Safe Harbor matching contributions, as well as an allocation of plan earnings or losses. Participants are charged with certain administrative fees that are paid by the Plan. Earnings or losses from investment funds are allocated to each participant's account in the proportion that the balance of each participant's account bears to the total balance of all participants in each investment option. Participants may direct the investment of their account balances into various mutual funds offered by the Plan. The benefit to which participants are entitled is the vested portion of their accounts.

Vesting and Forfeitures

Participants are 100% vested in their elective contributions, employer Safe Harbor matching and rollover contributions and the allocated earnings thereon. Forfeitures of unvested accounts may be used to pay plan expenses. There were no forfeitures as of December 31, 2013 and 2012 and no forfeitures were used to pay plan expenses during the year ended December 31, 2013.

Payment of Benefits

Upon termination of service due to death, disability, separation of service, or attainment of normal retirement age (65), a participant may elect to receive his/her benefit payment in the form of a lump-sum amount, installment payments, or annuity; remain in the Plan or may roll over the amount to another qualified retirement plan or individual retirement account. Hardship withdrawals and certain other in-service withdrawals are also allowed by the Plan if certain criteria are met.

1. PLAN DESCRIPTION (CONTINUED)

Notes Receivable from Participants

An employee may, with the consent of the plan administrator, borrow a minimum of $100 up to the lesser of $50,000 or one-half of their vested account balance. Participants may not have more than two notes outstanding at any time. The maximum term of the borrowing is five years. A participant's note shall immediately become due and payable if such participant terminates employment for any reason or fails to make a principal and/or interest payment as provided in the loan agreement. The notes are secured by the balance in the participant's account and bear interest at the Wall Street Journal posted prime rate plus 1% and are fixed for the duration of the note. The interest rate on outstanding notes at December 31, 2013 was 4.25%. Principal and interest are repaid ratably through payroll deductions.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

Investment Valuation

The Plan's investments in mutual funds, as detailed in the accompanying supplemental schedule of assets (held at end of year), are stated at fair value as further discussed in Note 5 – *Fair Value Measurements and Disclosures.* 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 advisors and Principal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Recognition

Interest income is recorded as earned on the accrual basis. Dividend income is recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis. The net appreciation (depreciation) in the fair value of investments represents the realized and unrealized gains and losses and capital gains on the investments.

Contributions

Participant contributions and any related employer Safe Harbor matching are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. 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, 2013 and 2012. 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

Benefit payments to participants are recorded upon distribution. There were no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of year end.

Expenses of the Plan

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and benefit payments are charged directly to the participant's account and are included in administrative expenses. These costs amounted to $2,655 for the year ended December 31, 2013. Certain additional investment fees may also be netted with investment earnings or losses.

3. INVESTMENTS

The fair values of individual investments that represent 5% or more of the Plan's net assets available for plan benefits as of December 31, 2013 and 2012 are as follows:

	2013	2012
Principal Large Cap Growth Institutional Fund	**$ 2,346,761**	$ 1,745,324
American Funds New Perspective A Fund	**1,930,380**	1,487,954
American Funds Income Fund of America	**1,806,676**	1,473,575
Vanguard Windsor II Admiral Fund	**1,577,740**	1,153,295
PIMCO Total Return A Fund	**1,281,283**	1,416,888
T. Rowe Price Retirement 2020 Fund	**1,028,396**	692,634
Oakmark International I Fund	**910,116**	-*
Principal Money Market Fund	**762,995***	697,088
Vanguard Inflation Protected Securities Fund	**736,221***	1,014,291

*Below 5% or not held at December 31 of the respective year. Shown for comparative purposes.

During the year ended December 31, 2013, the Plan's investments in mutual funds, including gains and losses on investments bought and sold as well as held during the year, and reinvested capital gains appreciated in value by $2,534,531.

4. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the United States Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Principal has certified the following information included in the accompanying financial statements and supplemental schedule as complete and accurate:

- Investments and notes receivable from participants as reported in the Statement of Net Assets Available for Plan Benefits as of December 31, 2013 and 2012
- Investment income and interest earned on notes receivable from participants as reported on the Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2013
- Investment information included in the Notes to Financial Statements
- All investment information included in the Supplemental Schedule, Form 5500-Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) – As of December 31, 2013

4. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (CONTINUED)

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

5. FAIR VALUE MEASUREMENTS AND DISCLOSURES

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs are the highest priority and consist of unadjusted quoted prices in active markets the Plan has the ability to access for identical assets and liabilities. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drivers are observable). Level 3 inputs are the lowest priority and are unobservable and significant to the fair value measurement of an asset or liability.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2013 and 2012.

The following is a description of the valuation methodologies used for assets measured at fair value.

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

The preceding methods described may produce a fair value calculation which 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.

5. FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments measured at fair value on a recurring basis:

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Large U.S. equity	**$ 4,554,364**	**$ -**	**$ -**	**$ 4,554,364**
Small/Mid U.S. equity	**2,223,007**	**-**	**-**	**2,223,007**
International equity	**3,042,042**	**-**	**-**	**3,042,042**
Balanced/asset allocation	**4,239,707**	**-**	**-**	**4,239,707**
Short-term fixed income	**762,995**	**-**	**-**	**762,995**
Fixed income	**2,487,872**	**-**	**-**	**2,487,872**
Total assets at fair value	**$ 17,309,987**	**$ -**	**$ -**	**$ 17,309,987**

December 31, 2012	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large U.S. equity	$ 3,133,805	$ -	$ -	$ 3,133,805
Small/Mid U.S. equity	1,345,635	-	-	1,345,635
International equity	2,305,346	-	-	2,305,346
Balanced/asset allocation	2,958,127	-	-	2,958,127
Short-term fixed income	697,088	-	-	697,088
Fixed income	2,929,631	-	-	2,929,631
Total assets at fair value	$ 13,369,632	$ -	$ -	$ 13,369,632

6. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are shares of mutual funds managed by Principal. The Plan also has a service agreement with Principal that renews annually unless cancelled by either party with prior written notice. Payments to Principal by the Plan consisted of administrative fees totaling $2,655 for the plan year ended December 31, 2013. Principal may also receive certain indirect compensation related to the Plan's investments. The above transactions qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

7. INCOME TAX STATUS

The Company received a determination letter from the Internal Revenue Service dated March 22, 2011 indicating that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the letter; however, the Company and the plan administrator believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the Plan continues to be tax-exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no IRS examinations for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to IRS audits prior to 2010.

8. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities which are exposed to various risks such as interest rate, market and credit risks. Additionally, the value, liquidity and related income of the investment securities are sensitive to changes in economic conditions, and may be adversely affected by shifts in the market perception of the issuers and changes in interest rates. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Plan Benefits and participants' account balances.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Participant loans are reported as notes receivable from participants in the accompanying financial statements as required by current authoritative guidance; however, for Form 5500 purposes and reporting on the supplemental Schedule of Assets (Held at End of Year) they are shown as investments, as required.

10. DELINQUENT PARTICIPANT CONTRIBUTIONS

The Company failed to timely remit participant contributions to the Plan during 2013 and 2011. The Company corrected for lost earnings of $656 in 2014. See accompanying Schedule of Delinquent Participant Contributions for the year ended December 31, 2013.

11. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 29, 2014, the date the financial statements were available to be issued. There were no events or transactions discovered during the evaluation that require recognition or disclosure in the financial statements.

Supplemental Schedules

Lerch Bates 401(k) Retirement Plan

Form 5500, Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions – For the Year Ended December 31, 2013

EIN: 36-2285171
Plan Number: 001

	Participant Contributions Transferred Late to Plan	Contributions not Fully Corrected for Lost Earnings ([a])	Contributions Fully Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-S1	Total that Constitute Non-exempt Prohibited Transactions
*Lerch Bates, Inc.						
2013 Contributions	$ 685,103	$ 685,103	$ -	$ -	$ -	$ 685,103
2011 Contributions	$ 200	$ 200	$ -	$ -	$ -	$ 200

* A party-in-interest as defined by ERISA.
([a]) Correction of lost earnings of $656 was made in 2014.

See accompanying independent auditor's report and notes to financial statements.

Lerch Bates 401(k) Retirement Plan

Form 5500, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) – As of December 31, 2013

EIN: 36-2285171
Plan Number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
*	Principal Money Market Fund	Mutual Fund	(1)	$ 762,995
	PIMCO High Yield A Fund	Mutual Fund	(1)	470,369
	PIMCO Total Return A Fund	Mutual Fund	(1)	1,281,283
	Vanguard Inflation Protected Securities Fund	Mutual Fund	(1)	736,221
	American Funds Income Fund of America	Mutual Fund	(1)	1,806,676
*	Principal Diversified Real Asset Institutional Fund	Mutual Fund	(1)	98,639
	T. Rowe Price Retirement Income Fund	Mutual Fund	(1)	62,143
	T. Rowe Price Retirement 2010 Fund	Mutual Fund	(1)	153,365
	T. Rowe Price Retirement 2020 Fund	Mutual Fund	(1)	1,028,396
	T. Rowe Price Retirement 2030 Fund	Mutual Fund	(1)	725,914
	T. Rowe Price Retirement 2040 Fund	Mutual Fund	(1)	260,924
	T. Rowe Price Retirement 2050 Fund	Mutual Fund	(1)	103,650
*	Principal Large Cap Growth Institutional Fund	Mutual Fund	(1)	2,346,761
	Vanguard Windsor II Admiral Fund	Mutual Fund	(1)	1,577,740
	Vanguard 500 Index 500 Index Signal Fund	Mutual Fund	(1)	629,863
	Allianz Global Investment NFJ Small Cap Value A Fund	Mutual Fund	(1)	630,062
	Baron Capital Growth Fund	Mutual Fund	(1)	692,908
	JP Morgan Mid Cap Value Institutional Fund	Mutual Fund	(1)	80,556
	ClearBridge Small Cap Growth I Fund	Mutual Fund	(1)	101,380
	Vanguard Mid Cap Index Signal Fund	Mutual Fund	(1)	718,100
	American Funds New Perspective A Fund	Mutual Fund	(1)	1,930,380
	Cohen & Steers Institutional Global Realty Fund	Mutual Fund	(1)	47,234
	Oakmark International I Fund	Mutual Fund	(1)	910,116
	Vanguard Total International Stock Index Signal Fund	Mutual Fund	(1)	154,312
*	Notes receivable from participants (loans)	Various maturity dates with interest rates of 4.25%	-	276,031
	Total assets (held at end of year)			$ 17,586,018

(1) The cost of participant-directed investments is not required to be disclosed.
* A party-in-interest as defined by ERISA

See accompanying independent auditor's report and notes the financial statements.

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

LERCH BATES 401(K) RETIREMENT PLAN

EIN 36 2285171
PLAN NUMBER 001
PLAN YEAR 01/01/2013 TO 12/31/2013

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Allianz	Registered Investment Company AllianzGI NFJ SmCap Value A Fd	$ 0.00	$ 630,062.34
	The American Funds	Registered Investment Company Am Fnd Inc Fund Of Am A Fund	$ 0.00	$ 1,806,675.54
	The American Funds	Registered Investment Company American Funds New Prsp A Fund	$ 0.00	$ 1,930,380.49
	Baron	Registered Investment Company Baron Growth Fund	$ 0.00	$ 692,908.21
	Cohen & Steers	Registered Investment Company Cohen & Steers Instl Glbl Rlty	$ 0.00	$ 47,234.10
	Legg Mason	Registered Investment Company CLEARBRIDGE SM CP GR I FUND	$ 0.00	$ 101,380.34
	JP Morgan Funds	Registered Investment Company JP MORGAN MIDCPVALUE INST FUND	$ 0.00	$ 80,555.81
	Oakmark	Registered Investment Company Oakmark International I Fund	$ 0.00	$ 910,116.31
*	Principal Funds Inc	Registered Investment Company Prin LgCap Growth I Inst Fund	$ 0.00	$ 2,346,761.31
*	Principal Funds Inc	Registered Investment Company Prin Money Market Inst Fund	$ 0.00	$ 762,994.69
	PIMCO Funds	Registered Investment Company PIMCO High Yield A Fund	$ 0.00	$ 470,368.91
	PIMCO Funds	Registered Investment Company PIMCO Total Return A Fund	$ 0.00	$ 1,281,283.08
*	Principal Funds Inc	Registered Investment Company PRIN DIV REAL ASSET INST FUND	$ 0.00	$ 98,638.68
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt Income Fund	$ 0.00	$ 62,142.79
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2010 Fund	$ 0.00	$ 153,364.84

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

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

LERCH BATES 401(K) RETIREMENT PLAN

EIN 36 2285171
PLAN NUMBER 001
PLAN YEAR 01/01/2013 TO 12/31/2013

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2020 Fund	$ 0.00	$ 1,028,396.24
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2030 Fund	$ 0.00	$ 725,913.51
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2040 Fund	$ 0.00	$ 260,924.03
	T. Rowe Price Funds	Registered Investment Company T. Rowe Price Rtmt 2050 Fund	$ 0.00	$ 103,649.66
	Vanguard Group	Registered Investment Company Vanguard Mid Cap Index Sig Fd	$ 0.00	$ 718,100.50
	Vanguard Group	Registered Investment Company Vanguard Windsor II Adm Fund	$ 0.00	$ 1,577,740.07
	Vanguard Group	Registered Investment Company Vanguard 500 Index Signal Fund	$ 0.00	$ 629,863.26
	Vanguard Group	Registered Investment Company Vgd Infl-Prot Sec Adm Fund	$ 0.00	$ 736,220.64
	Vanguard Group	Registered Investment Company Vgd Total Intl Stk Idx Sig Fd	$ 0.00	$ 154,311.99
	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 7.00%	$ 0.00	$ 276,031.00

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

Lerch Bates 401(k) Retirement Plan

Financial Statements and Supplemental Schedules

As of December 31, 2013 and 2012
and for the Year Ended December 31, 2013

ACM
Anton Collins Mitchell LLP
Accountants & Consultants

AN INDEPENDENT MEMBER OF
BDO
ALLIANCE USA

Lerch Bates 401(k) Retirement Plan

Financial Statements and Supplemental Schedules

As of December 31, 2013 and 2012
and for the Year Ended December 31, 2013

Lerch Bates 401(k) Retirement Plan

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ACM
Anton Collins Mitchell LLP
Accountants & Consultants

Independent Auditor's Report

To the Plan Administrator of the
Lerch Bates 401(k) Retirement Plan
Littleton, Colorado

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Lerch Bates 401(k) Retirement Plan (the "Plan"), which comprise the statement of net assets available for plan benefits as of December 31, 2013, and the related statement of changes in net assets available for plan benefits for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the 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 4, which was certified by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 2013 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2013 and for the year then ended 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 on the 2013 financial statements. Accordingly, we do not express an opinion on the 2013 financial statements.

Other Matters – Supplemental Schedules

The supplemental schedule of assets (held at end of year) as of December 31, 2013 and schedule of delinquent participant contributions for the year ended December 31, 2013 are required by the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Other Matters – 2012 Financial Statements

The financial statements of the Plan as of December 31, 2012, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated September 12, 2013, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (b) the form and content of the information included in the financial statements other than that derived from information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance With DOL Rules and Regulations 2013

The form and content of the information included in the 2013 financial statements and supplemental schedules, 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 States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Anton Collins Mitchell LLP
Denver, Colorado
September 29, 2014

Lerch Bates 401(k) Retirement Plan

Statements of Net Assets Available for Plan Benefits

As of December 31,	**2013**	2012
Assets:		
Investments, at fair value:		
Mutual funds	**$ 17,309,987**	$ 13,369,632
Receivables:		
Participant contributions	**131**	232
Notes receivable from participants	**276,031**	220,191
Net assets available for plan benefits	**$ 17,586,149**	$ 13,590,055

See accompanying independent auditor's report and notes to financial statements.

Lerch Bates 401(k) Retirement Plan

Statement of Changes in Net Assets Available for Plan Benefits

For the Year Ended December 31,		**2013**
Additions to (deductions from) net assets attributed to:		
Contributions:		
Participant	**$**	**798,316**
Employer		**490,514**
Participant rollover		**641,384**
Total contributions		**1,930,214**
Investment income:		
Interest and dividend income		**249,764**
Net appreciation in fair value of investments		**2,534,531**
Interest earned on notes receivable from participants		**10,083**
Net investment income and interest earned on notes receivable		**2,794,378**
Benefits paid to participants and loans deemed distributed		**(725,843)**
Administrative fees		**(2,655)**
Net increase in net assets available for plan benefits		**3,996,094**
Net assets available for plan benefits, beginning of year		**13,590,055**
Net assets available for plan benefits, end of year	**$**	**17,586,149**

See accompanying independent auditor's report and notes to financial statements.

Lerch Bates 401(k) Retirement Plan

Notes to Financial Statements

1. PLAN DESCRIPTION

The following description of the Lerch Bates 401(k) Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan was adopted by Lerch Bates, Inc. (the "Company") effective November 1, 1982, and has been most recently amended and restated as of May 1, 2012. The Plan is a defined contribution plan covering eligible employees of the Company. The Plan was established under the provisions of Section 401(a) of the Internal Revenue Code ("IRC"), which includes a qualified deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Benefits under the Plan are not guaranteed by the Pension Benefit Guaranty Corporation.

Trustee and Administration of the Plan

The trustee and recordkeeper of the Plan is Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company ("Principal" or "Trustee"). The administrator of the Plan is the Company. The Trustee holds all assets of the Plan in accordance with the provisions of the trust agreement and service provider contract with the Company. The Plan's Investment Committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Eligibility

Each employee is eligible to become a participant in the Plan on the first day of the pay period following attainment of age 21 and completion of two months of service. Employees are eligible to receive the employer Safe Harbor matching contributions upon completion of twelve months of consecutive service and 1,000 hours. Employees of Lerch Bates Inspection Services LLC are not eligible to participate in the Plan.

Contributions

Participants may contribute up to 85% of their eligible annual compensation on a pre-tax or Roth after-tax basis, subject to certain IRC limitations ($17,500 for 2013). The Plan also allows catch-up contributions for participants over the age of 50 based on IRC limitations ($5,500 for 2013).

1. PLAN DESCRIPTION (CONTINUED)

The Plan includes an auto-enrollment provision whereby all employees hired November 1, 2008 and later are automatically enrolled in the Plan unless they affirmatively elect not to participate or affirmatively elect a different deferral rate. Automatically enrolled participants have their deferral rate (on a pre-tax basis) set at 3% of eligible compensation.

The Plan is a Safe Harbor Plan which provides for employer non-discretionary matching contributions that are fully vested when made. The Company matches 100% of up to the first 6% of compensation, as defined, that a participant contributes to the Plan, not to exceed certain IRC limitations.

Rollover contributions from other qualified plans or individual retirement accounts may also be made to the Plan if certain criteria are met.

Participants' Accounts

Participants' accounts are credited with participant pre-tax, Roth after-tax and rollover contribtions, employer Safe Harbor matching contributions, as well as an allocation of plan earnings or losses. Participants are charged with certain administrative fees that are paid by the Plan. Earnings or losses from investment funds are allocated to each participant's account in the proportion that the balance of each participant's account bears to the total balance of all participants in each investment option. Participants may direct the investment of their account balances into various mutual funds offered by the Plan. The benefit to which participants are entitled is the vested portion of their accounts.

Vesting and Forfeitures

Participants are 100% vested in their elective contributions, employer Safe Harbor matching and rollover contributions and the allocated earnings thereon. Forfeitures of unvested accounts may be used to pay plan expenses. There were no forfeitures as of December 31, 2013 and 2012 and no forfeitures were used to pay plan expenses during the year ended December 31, 2013.

Payment of Benefits

Upon termination of service due to death, disability, separation of service, or attainment of normal retirement age (65), a participant may elect to receive his/her benefit payment in the form of a lump-sum amount, installment payments, or annuity; remain in the Plan or may roll over the amount to another qualified retirement plan or individual retirement account. Hardship withdrawals and certain other in-service withdrawals are also allowed by the Plan if certain criteria are met.

1. PLAN DESCRIPTION (CONTINUED)

Notes Receivable from Participants

An employee may, with the consent of the plan administrator, borrow a minimum of $100 up to the lesser of $50,000 or one-half of their vested account balance. Participants may not have more than two notes outstanding at any time. The maximum term of the borrowing is five years. A participant's note shall immediately become due and payable if such participant terminates employment for any reason or fails to make a principal and/or interest payment as provided in the loan agreement. The notes are secured by the balance in the participant's account and bear interest at the Wall Street Journal posted prime rate plus 1% and are fixed for the duration of the note. The interest rate on outstanding notes at December 31, 2013 was 4.25%. Principal and interest are repaid ratably through payroll deductions.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

Investment Valuation

The Plan's investments in mutual funds, as detailed in the accompanying supplemental schedule of assets (held at end of year), are stated at fair value as further discussed in Note 5 – *Fair Value Measurements and Disclosures.* 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 advisors and Principal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Recognition

Interest income is recorded as earned on the accrual basis. Dividend income is recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis. The net appreciation (depreciation) in the fair value of investments represents the realized and unrealized gains and losses and capital gains on the investments.

Contributions

Participant contributions and any related employer Safe Harbor matching are recognized in the period during which the Company makes the respective payroll deduction from the participant's compensation.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. 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, 2013 and 2012. 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

Benefit payments to participants are recorded upon distribution. There were no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of year end.

Expenses of the Plan

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and benefit payments are charged directly to the participant's account and are included in administrative expenses. These costs amounted to $2,655 for the year ended December 31, 2013. Certain additional investment fees may also be netted with investment earnings or losses.

3. INVESTMENTS

The fair values of individual investments that represent 5% or more of the Plan's net assets available for plan benefits as of December 31, 2013 and 2012 are as follows:

	2013	2012
Principal Large Cap Growth Institutional Fund	**$ 2,346,761**	$ 1,745,324
American Funds New Perspective A Fund	**1,930,380**	1,487,954
American Funds Income Fund of America	**1,806,676**	1,473,575
Vanguard Windsor II Admiral Fund	**1,577,740**	1,153,295
PIMCO Total Return A Fund	**1,281,283**	1,416,888
T. Rowe Price Retirement 2020 Fund	**1,028,396**	692,634
Oakmark International I Fund	**910,116**	-*
Principal Money Market Fund	**762,995***	697,088
Vanguard Inflation Protected Securities Fund	**736,221***	1,014,291

*Below 5% or not held at December 31 of the respective year. Shown for comparative purposes.

During the year ended December 31, 2013, the Plan's investments in mutual funds, including gains and losses on investments bought and sold as well as held during the year, and reinvested capital gains appreciated in value by $2,534,531.

4. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the United States Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Principal has certified the following information included in the accompanying financial statements and supplemental schedule as complete and accurate:

- Investments and notes receivable from participants as reported in the Statement of Net Assets Available for Plan Benefits as of December 31, 2013 and 2012
- Investment income and interest earned on notes receivable from participants as reported on the Statement of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2013
- Investment information included in the Notes to Financial Statements
- All investment information included in the Supplemental Schedule, Form 5500-Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) – As of December 31, 2013

4. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (CONTINUED)

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

5. FAIR VALUE MEASUREMENTS AND DISCLOSURES

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs are the highest priority and consist of unadjusted quoted prices in active markets the Plan has the ability to access for identical assets and liabilities. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drivers are observable). Level 3 inputs are the lowest priority and are unobservable and significant to the fair value measurement of an asset or liability.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2013 and 2012.

The following is a description of the valuation methodologies used for assets measured at fair value.

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

The preceding methods described may produce a fair value calculation which 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.

5. FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments measured at fair value on a recurring basis:

December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Large U.S. equity	**$ 4,554,364**	**$ -**	**$ -**	**$ 4,554,364**
Small/Mid U.S. equity	**2,223,007**	**-**	**-**	**2,223,007**
International equity	**3,042,042**	**-**	**-**	**3,042,042**
Balanced/asset allocation	**4,239,707**	**-**	**-**	**4,239,707**
Short-term fixed income	**762,995**	**-**	**-**	**762,995**
Fixed income	**2,487,872**	**-**	**-**	**2,487,872**
Total assets at fair value	**$ 17,309,987**	**$ -**	**$ -**	**$ 17,309,987**

December 31, 2012	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large U.S. equity	$ 3,133,805	$ -	$ -	$ 3,133,805
Small/Mid U.S. equity	1,345,635	-	-	1,345,635
International equity	2,305,346	-	-	2,305,346
Balanced/asset allocation	2,958,127	-	-	2,958,127
Short-term fixed income	697,088	-	-	697,088
Fixed income	2,929,631	-	-	2,929,631
Total assets at fair value	$ 13,369,632	$ -	$ -	$ 13,369,632

6. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are shares of mutual funds managed by Principal. The Plan also has a service agreement with Principal that renews annually unless cancelled by either party with prior written notice. Payments to Principal by the Plan consisted of administrative fees totaling $2,655 for the plan year ended December 31, 2013. Principal may also receive certain indirect compensation related to the Plan's investments. The above transactions qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

7. INCOME TAX STATUS

The Company received a determination letter from the Internal Revenue Service dated March 22, 2011 indicating that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the letter; however, the Company and the plan administrator believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the Plan continues to be tax-exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no IRS examinations for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to IRS audits prior to 2010.

8. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities which are exposed to various risks such as interest rate, market and credit risks. Additionally, the value, liquidity and related income of the investment securities are sensitive to changes in economic conditions, and may be adversely affected by shifts in the market perception of the issuers and changes in interest rates. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Plan Benefits and participants' account balances.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Participant loans are reported as notes receivable from participants in the accompanying financial statements as required by current authoritative guidance; however, for Form 5500 purposes and reporting on the supplemental Schedule of Assets (Held at End of Year) they are shown as investments, as required.

10. DELINQUENT PARTICIPANT CONTRIBUTIONS

The Company failed to timely remit participant contributions to the Plan during 2013 and 2011. The Company corrected for lost earnings of $656 in 2014. See accompanying Schedule of Delinquent Participant Contributions for the year ended December 31, 2013.

11. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 29, 2014, the date the financial statements were available to be issued. There were no events or transactions discovered during the evaluation that require recognition or disclosure in the financial statements.

Supplemental Schedules

Lerch Bates 401(k) Retirement Plan

Form 5500, Schedule H, Part IV, Line 4a – Schedule of Delinquent Participant Contributions – For the Year Ended December 31, 2013

EIN: 36-2285171
Plan Number: 001

	Participant Contributions Transferred Late to Plan	Contributions not Fully Corrected for Lost Earnings ([a])	Contributions Fully Corrected Outside of VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-S1	Total that Constitute Non-exempt Prohibited Transactions
*Lerch Bates, Inc.						
2013 Contributions	$ 685,103	$ 685,103	$ -	$ -	$ -	$ 685,103
2011 Contributions	$ 200	$ 200	$ -	$ -	$ -	$ 200

* A party-in-interest as defined by ERISA.
([a]) Correction of lost earnings of $656 was made in 2014.

See accompanying independent auditor's report and notes to financial statements.

Lerch Bates 401(k) Retirement Plan

Form 5500, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) – As of December 31, 2013

EIN: 36-2285171
Plan Number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
*	Principal Money Market Fund	Mutual Fund	(1)	$ 762,995
	PIMCO High Yield A Fund	Mutual Fund	(1)	470,369
	PIMCO Total Return A Fund	Mutual Fund	(1)	1,281,283
	Vanguard Inflation Protected Securities Fund	Mutual Fund	(1)	736,221
	American Funds Income Fund of America	Mutual Fund	(1)	1,806,676
*	Principal Diversified Real Asset Institutional Fund	Mutual Fund	(1)	98,639
	T. Rowe Price Retirement Income Fund	Mutual Fund	(1)	62,143
	T. Rowe Price Retirement 2010 Fund	Mutual Fund	(1)	153,365
	T. Rowe Price Retirement 2020 Fund	Mutual Fund	(1)	1,028,396
	T. Rowe Price Retirement 2030 Fund	Mutual Fund	(1)	725,914
	T. Rowe Price Retirement 2040 Fund	Mutual Fund	(1)	260,924
	T. Rowe Price Retirement 2050 Fund	Mutual Fund	(1)	103,650
*	Principal Large Cap Growth Institutional Fund	Mutual Fund	(1)	2,346,761
	Vanguard Windsor II Admiral Fund	Mutual Fund	(1)	1,577,740
	Vanguard 500 Index 500 Index Signal Fund	Mutual Fund	(1)	629,863
	Allianz Global Investment NFJ Small Cap Value A Fund	Mutual Fund	(1)	630,062
	Baron Capital Growth Fund	Mutual Fund	(1)	692,908
	JP Morgan Mid Cap Value Institutional Fund	Mutual Fund	(1)	80,556
	ClearBridge Small Cap Growth I Fund	Mutual Fund	(1)	101,380
	Vanguard Mid Cap Index Signal Fund	Mutual Fund	(1)	718,100
	American Funds New Perspective A Fund	Mutual Fund	(1)	1,930,380
	Cohen & Steers Institutional Global Realty Fund	Mutual Fund	(1)	47,234
	Oakmark International I Fund	Mutual Fund	(1)	910,116
	Vanguard Total International Stock Index Signal Fund	Mutual Fund	(1)	154,312
*	Notes receivable from participants (loans)	Various maturity dates with interest rates of 4.25%	-	276,031
	Total assets (held at end of year)			$ 17,586,018

(1) The cost of participant-directed investments is not required to be disclosed.
* A party-in-interest as defined by ERISA

See accompanying independent auditor's report and notes the financial statements.