

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                         |
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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
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| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2013 or fiscal plan year beginning <u>04/01/2013</u> and ending <u>03/31/2014</u> |                                                                                                                                                                                                                                           |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. . . . .                                      | <input type="checkbox"/>                                                                                                                                                                                                                  |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------|-------------------------------------------------------|--|---------------------------------------------------------------------|--|-------------------------------------------------------------|--|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                              | <b>Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>1a</b> Name of plan<br><u>THE KLEINFELDER GROUP, INC. 401(K) PLAN</u>                                                                                                                                                    | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>03/31/1989</u></td> </tr> <tr> <td colspan="2"><b>2b</b> Employer Identification Number (EIN)<br/><u>68-0053138</u></td> </tr> <tr> <td colspan="2"><b>2c</b> Sponsor's telephone number<br/><u>858-320-2000</u></td> </tr> <tr> <td colspan="2"><b>2d</b> Business code (see instructions)<br/><u>541330</u></td> </tr> </table> | <b>1b</b> Three-digit plan number (PN) ▶ | <u>003</u> | <b>1c</b> Effective date of plan<br><u>03/31/1989</u> |  | <b>2b</b> Employer Identification Number (EIN)<br><u>68-0053138</u> |  | <b>2c</b> Sponsor's telephone number<br><u>858-320-2000</u> |  | <b>2d</b> Business code (see instructions)<br><u>541330</u> |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                    | <u>003</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>03/31/1989</u>                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>68-0053138</u>                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>858-320-2000</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>541330</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>THE KLEINFELDER GROUP, INC.</u><br><br><u>5015 SHOREHAM PLACE</u><br><u>SAN DIEGO, CA 92122</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                          |            |                                                       |  |                                                                     |  |                                                             |  |                                                             |  |

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

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

|                                                                                                            |                                                   |            |                                                              |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature. | 01/08/2015 | MARIE MITCHELL-JACKSON                                       |
|                                                                                                            | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature. | 01/08/2015 | MARIE MITCHELL-JACKSON                                       |
|                                                                                                            | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                   |            | Preparer's telephone number (optional)                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address                                                                                                                                                                                                                                                        |  | <b>3b</b> Administrator's EIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                          |  | <b>3c</b> Administrator's telephone number<br><br><b>4b</b> EIN<br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                    |  | <b>5</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2288 |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
| <b>a</b> Active participants .....                                                                                                                                                                                                                                                                                                                                                                                         |  | <b>6a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1695 |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                                                                                                                                                        |  | <b>6b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 17   |
| <b>c</b> Other retired or separated participants entitled to future benefits .....                                                                                                                                                                                                                                                                                                                                         |  | <b>6c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 597  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                   |  | <b>6d</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2309 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....                                                                                                                                                                                                                                                                                                                 |  | <b>6e</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1    |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                    |  | <b>6f</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2310 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                                                                                                                                                            |  | <b>6g</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2232 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                                                                                                                                                                |  | <b>6h</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1    |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                       |  | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2F 2G 2J 2K 2S 2T 3D                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                              |  | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                |      |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |  | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |      |

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

For calendar plan year 2013 or fiscal plan year beginning 04/01/2013 and ending 03/31/2014

|                                                                                                     |                                                                    |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>THE KLEINFELDER GROUP, INC. 401(K) PLAN</u>                             | <b>B</b> Three-digit plan number (PN) <u>003</u>                   |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>THE KLEINFELDER GROUP, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>68-0053138</u> |

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

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

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

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

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation  
THE VANGUARD GROUP, INC.

23-1945930

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

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

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

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

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

THE VANGUARD GROUP, INC.

23-1945930

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 15 25 26 37 52         | NONE                                                                                              | 39852                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

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

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

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

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

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

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

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

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

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

**Part I Service Provider Information (continued)**

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

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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<br>(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<br>(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 |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
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|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |
|                                                                          |                               |                                                                                     |

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2013 or fiscal plan year beginning <u>04/01/2013</u> and ending <u>03/31/2014</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><u>THE KLEINFELDER GROUP, INC. 401(K) PLAN</u>                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <span style="float: right;"><u>003</u></span>                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>THE KLEINFELDER GROUP, INC.</u>                                                                                                                                                                      |                                                                                                                                                                                                                                                                              | <b>D</b> Employer Identification Number (EIN)<br><br><u>68-0053138</u>                                   |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                               |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                                                                                             |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                               |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                        | <b>1a</b>       |                       |                 |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                         |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Employer contributions .....                                                            | <b>1b(1)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) Participant contributions .....                                                         | <b>1b(2)</b>    | 375957                | 419290          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Other .....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                        |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) U.S. Government securities .....                                                        | <b>1c(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                         | <b>1c(3)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) All other .....                                                                         | <b>1c(3)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (4) Corporate stocks (other than employer securities):                                      |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                         | <b>1c(4)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) Common .....                                                                            | <b>1c(4)(B)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (5) Partnership/joint venture interests .....                                               | <b>1c(5)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (6) Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (7) Loans (other than to participants) .....                                                | <b>1c(7)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (8) Participant loans .....                                                                 | <b>1c(8)</b>    | 1947022               | 2051460         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (9) Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    | 7164471               | 6190546         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (10) Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (11) Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (12) Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (13) Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   | 95553581              | 115727338       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (14) Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (15) Other .....                                                                            | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 105041031             | 124388634       |

**Liabilities**

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

**Net Assets**

|                                                           |           |           |           |
|-----------------------------------------------------------|-----------|-----------|-----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 105041031 | 124388634 |
|-----------------------------------------------------------|-----------|-----------|-----------|

**Part II Income and Expense Statement**

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

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> |            |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 9578087    |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 3875229    |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 13453316  |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 100202     |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 100202    |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 3026981    |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 3026981   |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....                | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts.....                              | 2b(6)  |            | 17993     |
| (7) Net investment gain (loss) from pooled separate accounts.....                              | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts.....                      | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities.....                            | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            | 14345588  |
| c Other income.....                                                                            | 2c     |            | 327749    |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 31271829  |

**Expenses**

|                                                                                     |       |          |          |
|-------------------------------------------------------------------------------------|-------|----------|----------|
| e Benefit payment and payments to provide benefits:                                 |       |          |          |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 10908654 |          |
| (2) To insurance carriers for the provision of benefits.....                        | 2e(2) |          |          |
| (3) Other.....                                                                      | 2e(3) | 980110   |          |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                        | 2e(4) |          | 11888764 |
| f Corrective distributions (see instructions).....                                  | 2f    |          |          |
| g Certain deemed distributions of participant loans (see instructions).....         | 2g    |          |          |
| h Interest expense.....                                                             | 2h    |          |          |
| i Administrative expenses: (1) Professional fees.....                               | 2i(1) |          |          |
| (2) Contract administrator fees.....                                                | 2i(2) |          |          |
| (3) Investment advisory and management fees.....                                    | 2i(3) |          |          |
| (4) Other.....                                                                      | 2i(4) | 35462    |          |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |          | 35462    |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |          | 11924226 |

**Net Income and Reconciliation**

|                                                         |       |  |          |
|---------------------------------------------------------|-------|--|----------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 19347603 |
| l Transfers of assets:                                  |       |  |          |
| (1) To this plan.....                                   | 2l(1) |  |          |
| (2) From this plan.....                                 | 2l(2) |  |          |

**Part III Accountant's Opinion**

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

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

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

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: MOSS ADAMS LLP

(2) EIN: 91-0189318

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     | X  |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     |    |        |

**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)

|                         |                       |
|-------------------------|-----------------------|
| <b>6a</b> Name of trust | <b>6b</b> Trust's EIN |
|                         |                       |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2013 or fiscal plan year beginning 04/01/2013 and ending 03/31/2014

|                                                                                                     |                                                                    |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>THE KLEINFELDER GROUP, INC. 401(K) PLAN</u>                             | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>THE KLEINFELDER GROUP, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>68-0053138</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>23-2186884</u> |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |

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

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

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

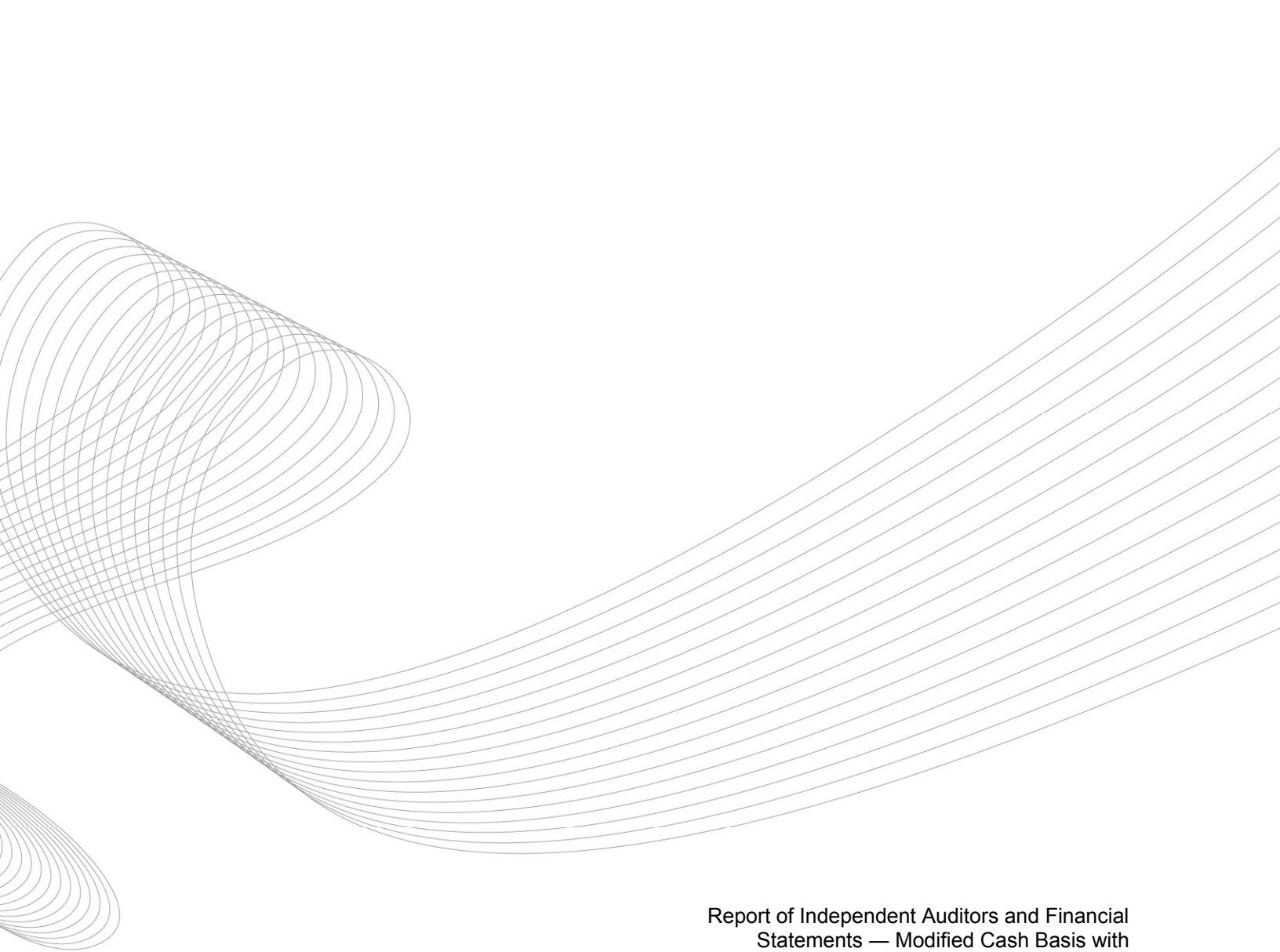
- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding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

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

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

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

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



Report of Independent Auditors and Financial  
Statements — Modified Cash Basis with  
Supplementary Information for

The Kleinfelder Group, Inc.  
401(k) Plan

March 31, 2014 and 2013

**MOSS-ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

## **CONTENTS**

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|                                                                                 | PAGE    |
|---------------------------------------------------------------------------------|---------|
| REPORT OF INDEPENDENT AUDITORS                                                  | 1 and 2 |
| FINANCIAL STATEMENTS                                                            |         |
| Statements of Net Assets Available for Benefits – Modified Cash Basis           | 3       |
| Statement of Changes in Net Assets Available for Benefits – Modified Cash Basis | 4       |
| Notes to Financial Statements                                                   | 5 – 11  |
| SUPPLEMENTARY INFORMATION REQUIRED BY THE DEPARTMENT OF LABOR                   |         |
| Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)                | 12      |

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee  
The Kleinfelder Group, Inc. 401(k) Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying statements of net assets available for benefits – modified cash basis of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) as of March 31, 2014 and 2013, the related statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014, 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 the modified cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 matters 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 (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 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 March 31, 2014 and 2013, and for the year ended March 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

**MOSS ADAMS<sub>LLP</sub>*****Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to that matter.

***Other Matter***

The schedule of assets (held at end of year) as of March 31, 2014, as required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, is presented for the purpose of additional analysis and is 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 this supplementary information.

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

The form and content of the information included in the financial statements and supplementary information, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

**Moss Adams LLP**

San Diego, California  
December 11, 2014

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS – MODIFIED CASH BASIS**  
**MARCH 31, 2014 AND 2013**

---

|                                          | <u>2014</u>                  | <u>2013</u>                  |
|------------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                            |                              |                              |
| Investments, at fair value               | \$ 121,917,884               | \$ 102,718,052               |
| Notes receivable from participants       | <u>2,055,253</u>             | <u>1,950,815</u>             |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <u><u>\$ 123,973,137</u></u> | <u><u>\$ 104,668,867</u></u> |

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –**  
**MODIFIED CASH BASIS**  
**YEAR ENDED MARCH 31, 2014**

---

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

Investment income:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Net appreciation in fair value of investments | \$ 14,363,582     |
| Interest and dividends                        | 3,026,981         |
|                                               | <u>17,390,563</u> |

|                                                       |                |
|-------------------------------------------------------|----------------|
| Interest income on notes receivable from participants | <u>100,202</u> |
|-------------------------------------------------------|----------------|

Contributions:

|             |                   |
|-------------|-------------------|
| Participant | 9,211,456         |
| Rollovers   | 4,198,526         |
| Other       | 327,749           |
|             | <u>13,737,731</u> |

|                 |                   |
|-----------------|-------------------|
| Total additions | <u>31,228,496</u> |
|-----------------|-------------------|

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

|                               |               |
|-------------------------------|---------------|
| Benefits paid to participants | 10,908,833    |
| KSOP transfers                | 980,110       |
| Administrative expenses       | <u>35,283</u> |

|                  |                   |
|------------------|-------------------|
| Total deductions | <u>11,924,226</u> |
|------------------|-------------------|

|                             |                   |
|-----------------------------|-------------------|
| <b>CHANGE IN NET ASSETS</b> | <b>19,304,270</b> |
|-----------------------------|-------------------|

**NET ASSETS AVAILABLE FOR BENEFITS**

|                   |                              |
|-------------------|------------------------------|
| Beginning of year | <u>104,668,867</u>           |
| End of year       | <u><u>\$ 123,973,137</u></u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 1 – Description of the Plan**

The following description of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan Agreement, as amended, for a more complete description of the Plan’s provisions.

**General** – The Plan is a 401(k) salary deferral plan covering substantially all employees of The Kleinfelder Group, Inc. (the “Company”) and is subject to provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Company is the Plan’s sponsor and serves as plan administrator.

**Eligibility** – All employees of the Company are eligible to participate in the Plan except those covered by a collective bargaining agreement (unless the agreement requires the participant to be eligible). There are no eligibility requirements such as age or minimum length of service.

**Amendment for KSOP transfers** – Effective April 1, 2007, the Company’s Employee Stock Ownership Plan (“ESOP”) was amended to adopt a KSOP addendum. The KSOP addendum allowed each participant who is also a participant in the Company’s ESOP to be eligible to make an election on each election date, as defined, to transfer funds immediately following the transfer date, as defined, from their 401(k) account to their KSOP account in the ESOP or from their KSOP account back to the 401(k) plan. Transfers from the 401(k) account cannot include any employer contributions and/or earnings. All KSOP transfers must be a minimum of \$150 and are not to exceed 15 percent of the combined balance of 401(k) employee deferrals and the KSOP account.

**Contributions** – Participants may elect to contribute between 1 and 50 percent of eligible compensation to the Plan each year. Participants may also contribute amounts representing distributions from other qualified defined-benefit or defined-contribution plans. The Company may elect to make discretionary matching contributions to the Plan. Participants must be employed as of the last day of the plan year to be eligible to receive any matching contributions. Matching contributions are allocated to participants based on a percentage of participant contributions. There were no matching contributions for the year ended March 31, 2014.

The Company also has the option to make contributions to the Plan on behalf of all participants, which shall be treated as qualified, non-elective employer contributions (“QNEC”) to the extent such contributions may be used to meet the nondiscrimination requirements of the Internal Revenue Code (the “IRC”). Allocations of QNEC to participants are made in the ratio that each non-highly-compensated participant’s compensation for the plan year bears to the total compensation of all non-highly-compensated participants for the plan year. There were no QNEC for the year ended March 31, 2014.

Contributions are subject to regulatory limitations.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### Note 1 – Description of the Plan (continued)

**Participant accounts** – Each participant's account is credited with the participant's contribution and allocations of: (a) the Company's contribution; and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined.

Participants may direct the investment of their account balances into various investment options offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting** – Participants are fully vested in their salary deferrals and QNEC, plus actual earnings thereon. Vesting in Company contributions is based on years of service, with increases in increments after the first year of 20 percent per year until fully vested after six years.

**Notes receivable from participants** – Participants may borrow from their accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loans are secured by the balance of the participant's account and bear fixed, reasonable rates of interest, as determined by the plan administrator. The maximum loan term is five years unless the loan qualifies as a home loan, in which case the term of the loan is not to exceed 30 years. Principal and interest are paid ratably through payroll deductions. As of March 31, 2014, the rates of interest on outstanding loans ranged from 4.25 to 9.25 percent, with various maturities through December 2043.

**Payment of benefits** – Upon termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's account balance, annuity payments, or annual installments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeitures** – Forfeitures are the non-vested portion of a participant's account that is lost upon termination of employment. Forfeitures are retained in the Plan and will first be used to pay plan administrative expenses, with any remaining amount used to reduce future Company contributions. As of March 31, 2014 and 2013, forfeited non-vested accounts totaled \$12,522 and \$9,908, respectively. For the year ended March 31, 2014, administrative expenses were reduced by approximately \$3,000 from forfeited non-vested accounts. No amount was used to fund contributions.

#### Note 2 – Summary of Significant Accounting Policies

**Basis of accounting** – The financial statements of the Plan have been prepared on the modified cash basis of accounting. Accordingly, contributions and investment income are recognized when received rather than when earned, and plan expenses are recognized when paid rather than when the obligations are incurred.

**Use of estimates** – The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions that may affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Investment valuation** – Investments are stated at fair value as certified by the Plan’s trustee, Vanguard Fiduciary Trust Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

As of March 31, 2014 and 2013, contract value approximated fair value; therefore, there is no adjustment to contract value shown in the statements of net assets available for benefits.

**Income recognition** – Dividend and interest income is recorded when received. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents unpaid principal balance plus accrued but unpaid interest, and are classified as notes receivable.

**Payment of benefits** – Benefits are recorded when paid.

**Expenses** – Administrative expenses and certain transaction fees are paid by the Plan.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are issued or are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before the financial statements are issued.

The Plan has evaluated subsequent events through December 11, 2014, which is the date the financial statements were available to be issued.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### Note 3 – Investments

Investments representing 5 percent or more of net assets available for benefits consist of the following as of March 31:

|                                   | <b>2014</b>   | <b>2013</b>   |
|-----------------------------------|---------------|---------------|
| Vanguard PRIMECAP Fund Inv        | \$ 13,759,747 | \$ 11,237,538 |
| Vanguard 500 Index Inv            | 12,934,139    | 10,386,284    |
| Vanguard Total Bd Mkt Index Inv   | 10,218,727    | 11,621,928    |
| Vanguard Int'l Growth Fund Inv    | 9,807,097     | 8,198,623     |
| Vanguard Windsor II Fund Inv      | 9,100,886     | 7,957,427     |
| Vanguard Morgan Growth Inv        | 8,720,399     | 7,568,237     |
| Vanguard Extended Mkt Index Inv   | 7,551,631     | 6,032,658     |
| Vanguard Tgt Retirement 2025      | 6,335,621     | *             |
| PIMCO Stable Income Fund, Class 2 | *             | 7,164,471     |

\* Investment did not represent 5 percent or more of the net assets available for benefits in each respective year.

#### Note 4 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Level 1:** Inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2:** Inputs to the valuation methodology that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# THE KLEINFELDER GROUP, INC. 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### Note 4 – Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2014 and 2013.

*Registered investment companies (mutual funds)* – Shares of registered investment company funds (or mutual funds) are valued at the net asset value (“NAV”) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

*Stable value fund* – Units held in collective trusts (“CT”) are valued using the NAV of the CT as reported by the CT managers. The NAV is based on the fair value of the underlying assets owned by the CT, minus its liabilities, and then divided by the number of units outstanding. The NAV of a CT is calculated based on a compilation of primarily observable market information. The Plan has investments in the PIMCO Stable Income Fund, Class 2, which is a collective trust that seeks to outperform money markets on a consistent basis while providing principal stability. The CT invests primarily in investment-grade fixed-income securities, including but not limited to, U.S. government securities, corporate bonds, mortgage-backed securities, asset-backed securities, and derivative instruments, including futures and swaps. The average duration of the fund’s investments will vary over time, but is typically expected to be between two and three years. Other fund investments may include a variety of stable value investment contracts to help reduce principal volatility and provide steady income. The fund may also invest in cash or other liquid investments to help meet participant liquidity needs. Due to limitations on the transferability of investments in the stable value fund, it is not considered fully benefit-responsive.

The following tables disclose by level the fair value hierarchy of the Plan’s assets at fair value as of March 31, 2014 and 2013:

| Investment Assets at Fair Value as of March 31, 2014 |                       |                     |             |                       |
|------------------------------------------------------|-----------------------|---------------------|-------------|-----------------------|
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 32,287,243         | \$ -                | \$ -        | \$ 32,287,243         |
| Blended funds                                        | 34,489,628            | -                   | -           | 34,489,628            |
| Balanced funds                                       | 18,624,985            | -                   | -           | 18,624,985            |
| Intermediate term bond funds                         | 10,218,727            | -                   | -           | 10,218,727            |
| Value funds                                          | 12,352,650            | -                   | -           | 12,352,650            |
| Money-market funds                                   | 7,754,105             | -                   | -           | 7,754,105             |
| Stable value funds                                   | -                     | 6,190,546           | -           | 6,190,546             |
|                                                      | <u>\$ 115,727,338</u> | <u>\$ 6,190,546</u> | <u>\$ -</u> | <u>\$ 121,917,884</u> |
| Investment Assets at Fair Value as of March 31, 2013 |                       |                     |             |                       |
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 27,004,399         | \$ -                | \$ -        | \$ 27,004,399         |
| Blended funds                                        | 25,296,569            | -                   | -           | 25,296,569            |
| Balanced funds                                       | 15,468,369            | -                   | -           | 15,468,369            |
| Intermediate term bond funds                         | 11,621,928            | -                   | -           | 11,621,928            |
| Value funds                                          | 10,094,578            | -                   | -           | 10,094,578            |
| Money-market funds                                   | 6,067,738             | -                   | -           | 6,067,738             |
| Stable value funds                                   | -                     | 7,164,471           | -           | 7,164,471             |
|                                                      | <u>\$ 95,553,581</u>  | <u>\$ 7,164,471</u> | <u>\$ -</u> | <u>\$ 102,718,052</u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4 – Fair Value Measurements (continued)

During 2014, the Plan's investments (including gains and losses on investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

|                                 |                             |
|---------------------------------|-----------------------------|
| Registered investment companies | \$ 14,334,005               |
| Stable value funds              | <u>29,577</u>               |
|                                 | <u><u>\$ 14,363,582</u></u> |

#### Note 5 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated January 1, 2006, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

#### Note 6 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near-term could materially affect a participant's account balance and the amounts reported in the financial statements.

#### Note 7 – Information Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Vanguard Fiduciary Trust Company ("Vanguard"), the trustee of the Plan, has certified as to the completeness and accuracy of:

- Investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits – modified cash basis as of March 31, 2014 and 2013.
- Net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants reflected in the accompanying statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014.

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 7 – Information Certified by the Trustee (continued)**

- Investments reflected in the supplemental schedule of assets (held at end of year).

**Note 8 – Party-in-Interest Transactions**

Plan investments include shares of registered investment company funds managed by Vanguard. Vanguard is the trustee of the Plan; therefore, transactions with this entity qualify as exempt party-in-interest transactions. Fees paid by the Plan for recordkeeping and investment management services were \$35,283 for the year ended March 31, 2014.

**Note 9 – Plan Termination**

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, Company contribution amounts allocated to a participant's account become fully vested.

**Note 10 – Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits between the financial statements and Form 5500 as of March 31:

|                                                                         | <u>2014</u>           | <u>2013</u>           |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements          | \$ 123,973,137        | \$ 104,668,867        |
| Add receivables not included in the financial statements until received | 419,290               | 375,597               |
| Less difference in notes receivable from participants                   | <u>(3,793)</u>        | <u>(3,433)</u>        |
| Net assets available for benefits per Form 5500                         | <u>\$ 124,388,634</u> | <u>\$ 105,041,031</u> |

The following is a reconciliation of the change in net assets available for benefits for the year ended March 31, 2014:

|                                                                          |                      |
|--------------------------------------------------------------------------|----------------------|
| Change in net assets available for benefits per the financial statements | \$ 19,304,270        |
| Add participant contributions receivable, March 31, 2014                 | 419,290              |
| Less participant contributions receivable, March 31, 2013                | (375,597)            |
| Change in difference in notes receivable from participants               | <u>(360)</u>         |
| Change in net assets available for benefits per Form 5500                | <u>\$ 19,347,603</u> |

**SUPPLEMENTARY INFORMATION  
REQUIRED BY THE DEPARTMENT OF LABOR**

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**THE KLEINFELDER GROUP, INC. 401(K) PLAN  
SUPPLEMENTARY INFORMATION**

**EIN: 94-1532513**

**PLAN #: 002**

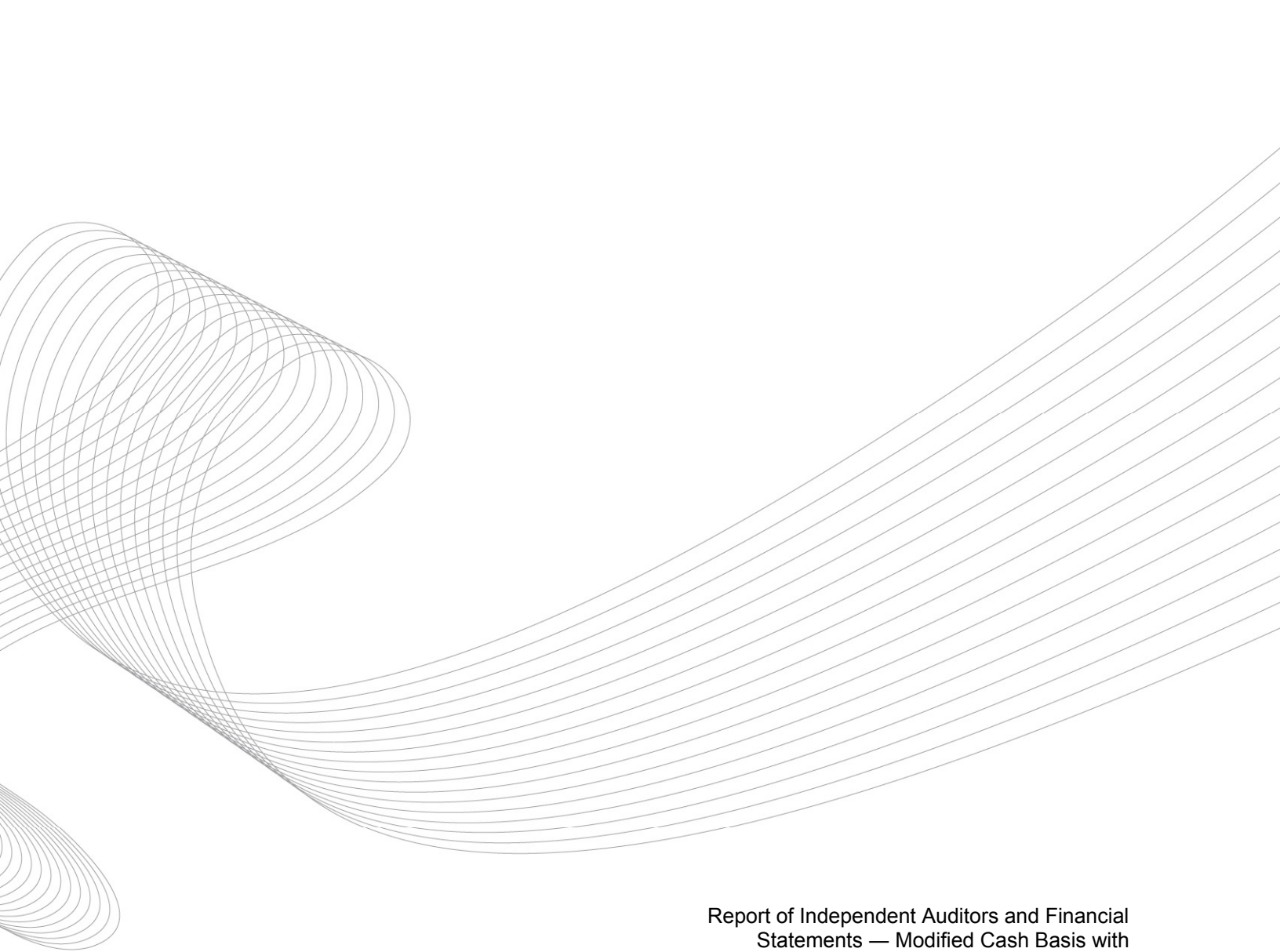
**SCHEDULE H, LINE 4(I) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**MARCH 31, 2014**

| (a) | (b)                                                    | (c)                                                                                                            | (d)  | (e)            |
|-----|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------|----------------|
|     | Identity of Issuer, Borrower, Lessor, or Similar Party | Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par Value, or Maturity Value | Cost | Current Value  |
| *   | Vanguard PRIMECAP Fund Inv                             | Registered investment company                                                                                  | **   | \$ 13,759,747  |
| *   | Vanguard 500 Index Inv                                 | Registered investment company                                                                                  | **   | 12,934,139     |
| *   | Vanguard Total Bd Mkt Indx Inv                         | Registered investment company                                                                                  | **   | 10,218,727     |
| *   | Vanguard Int'l Growth Fund Inv                         | Registered investment company                                                                                  | **   | 9,807,097      |
| *   | Vanguard Windsor II Fund Inv                           | Registered investment company                                                                                  | **   | 9,100,886      |
| *   | Vanguard Morgan Growth Inv                             | Registered investment company                                                                                  | **   | 8,720,399      |
| *   | Vanguard Extend Mkt Index Inv                          | Registered investment company                                                                                  | **   | 7,551,631      |
| *   | Vanguard Target Retirement 2025                        | Registered investment company                                                                                  | **   | 6,335,621      |
| *   | Vanguard Balanced Ix Inv                               | Registered investment company                                                                                  | **   | 5,595,388      |
| *   | Vanguard Target Retirement 2035                        | Registered investment company                                                                                  | **   | 5,503,794      |
| *   | Vanguard Target Retirement 2015                        | Registered investment company                                                                                  | **   | 4,464,049      |
| *   | Vanguard Target Retirement 2030                        | Registered investment company                                                                                  | **   | 4,144,931      |
| *   | Vanguard Target Retirement 2020                        | Registered investment company                                                                                  | **   | 3,607,211      |
| *   | Vanguard Target Retirement 2045                        | Registered investment company                                                                                  | **   | 3,527,593      |
| *   | Vanguard Selected Value                                | Registered investment company                                                                                  | **   | 3,251,764      |
| *   | Vanguard Target Retirement 2040                        | Registered investment company                                                                                  | **   | 3,132,179      |
| *   | Vanguard Target Retirement 2050                        | Registered investment company                                                                                  | **   | 1,915,987      |
| *   | Vanguard Target Retirement Inc                         | Registered investment company                                                                                  | **   | 1,119,674      |
| *   | Vanguard Target Retirement 2010                        | Registered investment company                                                                                  | **   | 488,040        |
| *   | Vanguard Target Retirement 2055                        | Registered investment company                                                                                  | **   | 222,965        |
| *   | Vanguard Prime Money Mkt                               | Registered investment company                                                                                  | **   | 202,474        |
|     | Principal Gl Div Inc Inst                              | Registered investment company                                                                                  | **   | 95,458         |
| *   | Vanguard Target Retirement 2060                        | Registered investment company                                                                                  | **   | 27,584         |
|     |                                                        |                                                                                                                |      | 115,727,338    |
|     | PIMCO Stable Income 2                                  | Common/Collective Trust                                                                                        | **   | 6,190,546      |
| *   | Notes receivable from participants                     | Interest rates ranging from 4.25 to 9.25 percent, maturing through December 2043                               | -    | 2,055,253      |
|     |                                                        |                                                                                                                |      | \$ 123,973,137 |

\* Indicates party-in-interest.

\*\* Information is not required as investments are participant-directed.



Report of Independent Auditors and Financial  
Statements — Modified Cash Basis with  
Supplementary Information for

The Kleinfelder Group, Inc.  
401(k) Plan

March 31, 2014 and 2013

**MOSS-ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

## **CONTENTS**

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|                                                                                 | PAGE    |
|---------------------------------------------------------------------------------|---------|
| REPORT OF INDEPENDENT AUDITORS                                                  | 1 and 2 |
| FINANCIAL STATEMENTS                                                            |         |
| Statements of Net Assets Available for Benefits – Modified Cash Basis           | 3       |
| Statement of Changes in Net Assets Available for Benefits – Modified Cash Basis | 4       |
| Notes to Financial Statements                                                   | 5 – 11  |
| SUPPLEMENTARY INFORMATION REQUIRED BY THE DEPARTMENT OF LABOR                   |         |
| Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)                | 12      |

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee  
The Kleinfelder Group, Inc. 401(k) Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying statements of net assets available for benefits – modified cash basis of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) as of March 31, 2014 and 2013, the related statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014, 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 the modified cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 matters 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 (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 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 March 31, 2014 and 2013, and for the year ended March 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

**MOSS ADAMS<sub>LLP</sub>*****Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to that matter.

***Other Matter***

The schedule of assets (held at end of year) as of March 31, 2014, as required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, is presented for the purpose of additional analysis and is 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 this supplementary information.

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

The form and content of the information included in the financial statements and supplementary information, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

**Moss Adams LLP**

San Diego, California  
December 11, 2014

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS – MODIFIED CASH BASIS**  
**MARCH 31, 2014 AND 2013**

---

|                                          | <u>2014</u>                  | <u>2013</u>                  |
|------------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                            |                              |                              |
| Investments, at fair value               | \$ 121,917,884               | \$ 102,718,052               |
| Notes receivable from participants       | <u>2,055,253</u>             | <u>1,950,815</u>             |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <u><u>\$ 123,973,137</u></u> | <u><u>\$ 104,668,867</u></u> |

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –**  
**MODIFIED CASH BASIS**  
**YEAR ENDED MARCH 31, 2014**

---

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

Investment income:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Net appreciation in fair value of investments | \$ 14,363,582     |
| Interest and dividends                        | 3,026,981         |
|                                               | <u>17,390,563</u> |

|                                                       |                |
|-------------------------------------------------------|----------------|
| Interest income on notes receivable from participants | <u>100,202</u> |
|-------------------------------------------------------|----------------|

Contributions:

|             |                   |
|-------------|-------------------|
| Participant | 9,211,456         |
| Rollovers   | 4,198,526         |
| Other       | 327,749           |
|             | <u>13,737,731</u> |

|                 |                   |
|-----------------|-------------------|
| Total additions | <u>31,228,496</u> |
|-----------------|-------------------|

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

|                               |               |
|-------------------------------|---------------|
| Benefits paid to participants | 10,908,833    |
| KSOP transfers                | 980,110       |
| Administrative expenses       | <u>35,283</u> |

|                  |                   |
|------------------|-------------------|
| Total deductions | <u>11,924,226</u> |
|------------------|-------------------|

|                             |                   |
|-----------------------------|-------------------|
| <b>CHANGE IN NET ASSETS</b> | <b>19,304,270</b> |
|-----------------------------|-------------------|

**NET ASSETS AVAILABLE FOR BENEFITS**

|                   |                              |
|-------------------|------------------------------|
| Beginning of year | <u>104,668,867</u>           |
| End of year       | <u><u>\$ 123,973,137</u></u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 1 – Description of the Plan**

The following description of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan Agreement, as amended, for a more complete description of the Plan’s provisions.

**General** – The Plan is a 401(k) salary deferral plan covering substantially all employees of The Kleinfelder Group, Inc. (the “Company”) and is subject to provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Company is the Plan’s sponsor and serves as plan administrator.

**Eligibility** – All employees of the Company are eligible to participate in the Plan except those covered by a collective bargaining agreement (unless the agreement requires the participant to be eligible). There are no eligibility requirements such as age or minimum length of service.

**Amendment for KSOP transfers** – Effective April 1, 2007, the Company’s Employee Stock Ownership Plan (“ESOP”) was amended to adopt a KSOP addendum. The KSOP addendum allowed each participant who is also a participant in the Company’s ESOP to be eligible to make an election on each election date, as defined, to transfer funds immediately following the transfer date, as defined, from their 401(k) account to their KSOP account in the ESOP or from their KSOP account back to the 401(k) plan. Transfers from the 401(k) account cannot include any employer contributions and/or earnings. All KSOP transfers must be a minimum of \$150 and are not to exceed 15 percent of the combined balance of 401(k) employee deferrals and the KSOP account.

**Contributions** – Participants may elect to contribute between 1 and 50 percent of eligible compensation to the Plan each year. Participants may also contribute amounts representing distributions from other qualified defined-benefit or defined-contribution plans. The Company may elect to make discretionary matching contributions to the Plan. Participants must be employed as of the last day of the plan year to be eligible to receive any matching contributions. Matching contributions are allocated to participants based on a percentage of participant contributions. There were no matching contributions for the year ended March 31, 2014.

The Company also has the option to make contributions to the Plan on behalf of all participants, which shall be treated as qualified, non-elective employer contributions (“QNEC”) to the extent such contributions may be used to meet the nondiscrimination requirements of the Internal Revenue Code (the “IRC”). Allocations of QNEC to participants are made in the ratio that each non-highly-compensated participant’s compensation for the plan year bears to the total compensation of all non-highly-compensated participants for the plan year. There were no QNEC for the year ended March 31, 2014.

Contributions are subject to regulatory limitations.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### Note 1 – Description of the Plan (continued)

**Participant accounts** – Each participant's account is credited with the participant's contribution and allocations of: (a) the Company's contribution; and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined.

Participants may direct the investment of their account balances into various investment options offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting** – Participants are fully vested in their salary deferrals and QNEC, plus actual earnings thereon. Vesting in Company contributions is based on years of service, with increases in increments after the first year of 20 percent per year until fully vested after six years.

**Notes receivable from participants** – Participants may borrow from their accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loans are secured by the balance of the participant's account and bear fixed, reasonable rates of interest, as determined by the plan administrator. The maximum loan term is five years unless the loan qualifies as a home loan, in which case the term of the loan is not to exceed 30 years. Principal and interest are paid ratably through payroll deductions. As of March 31, 2014, the rates of interest on outstanding loans ranged from 4.25 to 9.25 percent, with various maturities through December 2043.

**Payment of benefits** – Upon termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's account balance, annuity payments, or annual installments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeitures** – Forfeitures are the non-vested portion of a participant's account that is lost upon termination of employment. Forfeitures are retained in the Plan and will first be used to pay plan administrative expenses, with any remaining amount used to reduce future Company contributions. As of March 31, 2014 and 2013, forfeited non-vested accounts totaled \$12,522 and \$9,908, respectively. For the year ended March 31, 2014, administrative expenses were reduced by approximately \$3,000 from forfeited non-vested accounts. No amount was used to fund contributions.

#### Note 2 – Summary of Significant Accounting Policies

**Basis of accounting** – The financial statements of the Plan have been prepared on the modified cash basis of accounting. Accordingly, contributions and investment income are recognized when received rather than when earned, and plan expenses are recognized when paid rather than when the obligations are incurred.

**Use of estimates** – The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions that may affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Investment valuation** – Investments are stated at fair value as certified by the Plan’s trustee, Vanguard Fiduciary Trust Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

As of March 31, 2014 and 2013, contract value approximated fair value; therefore, there is no adjustment to contract value shown in the statements of net assets available for benefits.

**Income recognition** – Dividend and interest income is recorded when received. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents unpaid principal balance plus accrued but unpaid interest, and are classified as notes receivable.

**Payment of benefits** – Benefits are recorded when paid.

**Expenses** – Administrative expenses and certain transaction fees are paid by the Plan.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are issued or are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before the financial statements are issued.

The Plan has evaluated subsequent events through December 11, 2014, which is the date the financial statements were available to be issued.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### Note 3 – Investments

Investments representing 5 percent or more of net assets available for benefits consist of the following as of March 31:

|                                   | <b>2014</b>   | <b>2013</b>   |
|-----------------------------------|---------------|---------------|
| Vanguard PRIMECAP Fund Inv        | \$ 13,759,747 | \$ 11,237,538 |
| Vanguard 500 Index Inv            | 12,934,139    | 10,386,284    |
| Vanguard Total Bd Mkt Index Inv   | 10,218,727    | 11,621,928    |
| Vanguard Int'l Growth Fund Inv    | 9,807,097     | 8,198,623     |
| Vanguard Windsor II Fund Inv      | 9,100,886     | 7,957,427     |
| Vanguard Morgan Growth Inv        | 8,720,399     | 7,568,237     |
| Vanguard Extended Mkt Index Inv   | 7,551,631     | 6,032,658     |
| Vanguard Tgt Retirement 2025      | 6,335,621     | *             |
| PIMCO Stable Income Fund, Class 2 | *             | 7,164,471     |

\* Investment did not represent 5 percent or more of the net assets available for benefits in each respective year.

#### Note 4 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Level 1:** Inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2:** Inputs to the valuation methodology that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# THE KLEINFELDER GROUP, INC. 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### Note 4 – Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2014 and 2013.

*Registered investment companies (mutual funds)* – Shares of registered investment company funds (or mutual funds) are valued at the net asset value (“NAV”) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

*Stable value fund* – Units held in collective trusts (“CT”) are valued using the NAV of the CT as reported by the CT managers. The NAV is based on the fair value of the underlying assets owned by the CT, minus its liabilities, and then divided by the number of units outstanding. The NAV of a CT is calculated based on a compilation of primarily observable market information. The Plan has investments in the PIMCO Stable Income Fund, Class 2, which is a collective trust that seeks to outperform money markets on a consistent basis while providing principal stability. The CT invests primarily in investment-grade fixed-income securities, including but not limited to, U.S. government securities, corporate bonds, mortgage-backed securities, asset-backed securities, and derivative instruments, including futures and swaps. The average duration of the fund’s investments will vary over time, but is typically expected to be between two and three years. Other fund investments may include a variety of stable value investment contracts to help reduce principal volatility and provide steady income. The fund may also invest in cash or other liquid investments to help meet participant liquidity needs. Due to limitations on the transferability of investments in the stable value fund, it is not considered fully benefit-responsive.

The following tables disclose by level the fair value hierarchy of the Plan’s assets at fair value as of March 31, 2014 and 2013:

| Investment Assets at Fair Value as of March 31, 2014 |                       |                     |             |                       |
|------------------------------------------------------|-----------------------|---------------------|-------------|-----------------------|
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 32,287,243         | \$ -                | \$ -        | \$ 32,287,243         |
| Blended funds                                        | 34,489,628            | -                   | -           | 34,489,628            |
| Balanced funds                                       | 18,624,985            | -                   | -           | 18,624,985            |
| Intermediate term bond funds                         | 10,218,727            | -                   | -           | 10,218,727            |
| Value funds                                          | 12,352,650            | -                   | -           | 12,352,650            |
| Money-market funds                                   | 7,754,105             | -                   | -           | 7,754,105             |
| Stable value funds                                   | -                     | 6,190,546           | -           | 6,190,546             |
|                                                      | <u>\$ 115,727,338</u> | <u>\$ 6,190,546</u> | <u>\$ -</u> | <u>\$ 121,917,884</u> |
| Investment Assets at Fair Value as of March 31, 2013 |                       |                     |             |                       |
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 27,004,399         | \$ -                | \$ -        | \$ 27,004,399         |
| Blended funds                                        | 25,296,569            | -                   | -           | 25,296,569            |
| Balanced funds                                       | 15,468,369            | -                   | -           | 15,468,369            |
| Intermediate term bond funds                         | 11,621,928            | -                   | -           | 11,621,928            |
| Value funds                                          | 10,094,578            | -                   | -           | 10,094,578            |
| Money-market funds                                   | 6,067,738             | -                   | -           | 6,067,738             |
| Stable value funds                                   | -                     | 7,164,471           | -           | 7,164,471             |
|                                                      | <u>\$ 95,553,581</u>  | <u>\$ 7,164,471</u> | <u>\$ -</u> | <u>\$ 102,718,052</u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4 – Fair Value Measurements (continued)

During 2014, the Plan's investments (including gains and losses on investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

|                                 |                      |
|---------------------------------|----------------------|
| Registered investment companies | \$ 14,334,005        |
| Stable value funds              | <u>29,577</u>        |
|                                 | <u>\$ 14,363,582</u> |

#### Note 5 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated January 1, 2006, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

#### Note 6 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near-term could materially affect a participant's account balance and the amounts reported in the financial statements.

#### Note 7 – Information Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Vanguard Fiduciary Trust Company ("Vanguard"), the trustee of the Plan, has certified as to the completeness and accuracy of:

- Investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits – modified cash basis as of March 31, 2014 and 2013.
- Net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants reflected in the accompanying statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014.

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 7 – Information Certified by the Trustee (continued)**

- Investments reflected in the supplemental schedule of assets (held at end of year).

**Note 8 – Party-in-Interest Transactions**

Plan investments include shares of registered investment company funds managed by Vanguard. Vanguard is the trustee of the Plan; therefore, transactions with this entity qualify as exempt party-in-interest transactions. Fees paid by the Plan for recordkeeping and investment management services were \$35,283 for the year ended March 31, 2014.

**Note 9 – Plan Termination**

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, Company contribution amounts allocated to a participant's account become fully vested.

**Note 10 – Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits between the financial statements and Form 5500 as of March 31:

|                                                                         | <u>2014</u>           | <u>2013</u>           |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements          | \$ 123,973,137        | \$ 104,668,867        |
| Add receivables not included in the financial statements until received | 419,290               | 375,597               |
| Less difference in notes receivable from participants                   | <u>(3,793)</u>        | <u>(3,433)</u>        |
| Net assets available for benefits per Form 5500                         | <u>\$ 124,388,634</u> | <u>\$ 105,041,031</u> |

The following is a reconciliation of the change in net assets available for benefits for the year ended March 31, 2014:

|                                                                          |                      |
|--------------------------------------------------------------------------|----------------------|
| Change in net assets available for benefits per the financial statements | \$ 19,304,270        |
| Add participant contributions receivable, March 31, 2014                 | 419,290              |
| Less participant contributions receivable, March 31, 2013                | (375,597)            |
| Change in difference in notes receivable from participants               | <u>(360)</u>         |
| Change in net assets available for benefits per Form 5500                | <u>\$ 19,347,603</u> |

**SUPPLEMENTARY INFORMATION  
REQUIRED BY THE DEPARTMENT OF LABOR**

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**THE KLEINFELDER GROUP, INC. 401(K) PLAN  
SUPPLEMENTARY INFORMATION**

**EIN: 94-1532513**

**PLAN #: 002**

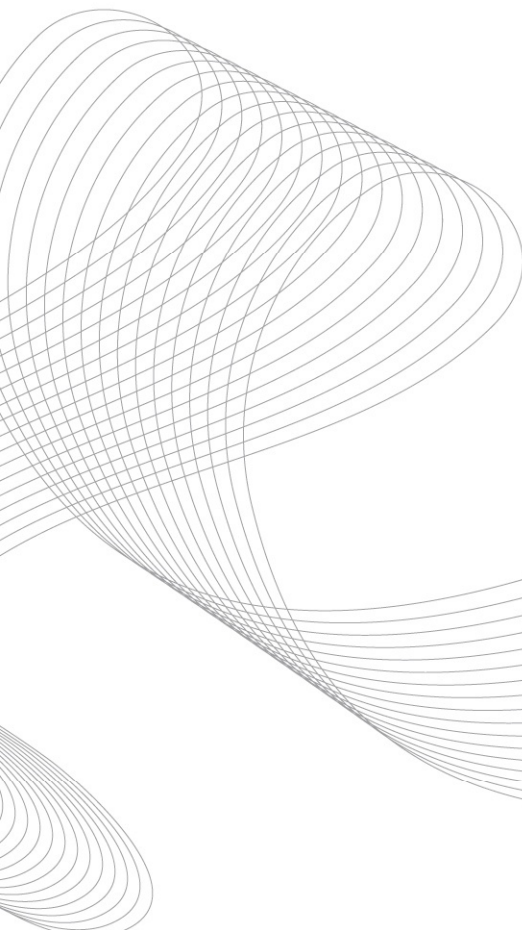
**SCHEDULE H, LINE 4(I) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**MARCH 31, 2014**

| (a) | (b)                                                    | (c)                                                                                                            | (d)  | (e)            |
|-----|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------|----------------|
|     | Identity of Issuer, Borrower, Lessor, or Similar Party | Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par Value, or Maturity Value | Cost | Current Value  |
| *   | Vanguard PRIMECAP Fund Inv                             | Registered investment company                                                                                  | **   | \$ 13,759,747  |
| *   | Vanguard 500 Index Inv                                 | Registered investment company                                                                                  | **   | 12,934,139     |
| *   | Vanguard Total Bd Mkt Indx Inv                         | Registered investment company                                                                                  | **   | 10,218,727     |
| *   | Vanguard Int'l Growth Fund Inv                         | Registered investment company                                                                                  | **   | 9,807,097      |
| *   | Vanguard Windsor II Fund Inv                           | Registered investment company                                                                                  | **   | 9,100,886      |
| *   | Vanguard Morgan Growth Inv                             | Registered investment company                                                                                  | **   | 8,720,399      |
| *   | Vanguard Extend Mkt Index Inv                          | Registered investment company                                                                                  | **   | 7,551,631      |
| *   | Vanguard Target Retirement 2025                        | Registered investment company                                                                                  | **   | 6,335,621      |
| *   | Vanguard Balanced Ix Inv                               | Registered investment company                                                                                  | **   | 5,595,388      |
| *   | Vanguard Target Retirement 2035                        | Registered investment company                                                                                  | **   | 5,503,794      |
| *   | Vanguard Target Retirement 2015                        | Registered investment company                                                                                  | **   | 4,464,049      |
| *   | Vanguard Target Retirement 2030                        | Registered investment company                                                                                  | **   | 4,144,931      |
| *   | Vanguard Target Retirement 2020                        | Registered investment company                                                                                  | **   | 3,607,211      |
| *   | Vanguard Target Retirement 2045                        | Registered investment company                                                                                  | **   | 3,527,593      |
| *   | Vanguard Selected Value                                | Registered investment company                                                                                  | **   | 3,251,764      |
| *   | Vanguard Target Retirement 2040                        | Registered investment company                                                                                  | **   | 3,132,179      |
| *   | Vanguard Target Retirement 2050                        | Registered investment company                                                                                  | **   | 1,915,987      |
| *   | Vanguard Target Retirement Inc                         | Registered investment company                                                                                  | **   | 1,119,674      |
| *   | Vanguard Target Retirement 2010                        | Registered investment company                                                                                  | **   | 488,040        |
| *   | Vanguard Target Retirement 2055                        | Registered investment company                                                                                  | **   | 222,965        |
| *   | Vanguard Prime Money Mkt                               | Registered investment company                                                                                  | **   | 202,474        |
|     | Principal Gl Div Inc Inst                              | Registered investment company                                                                                  | **   | 95,458         |
| *   | Vanguard Target Retirement 2060                        | Registered investment company                                                                                  | **   | 27,584         |
|     |                                                        |                                                                                                                |      | 115,727,338    |
|     | PIMCO Stable Income 2                                  | Common/Collective Trust                                                                                        | **   | 6,190,546      |
| *   | Notes receivable from participants                     | Interest rates ranging from 4.25 to 9.25 percent, maturing through December 2043                               | -    | 2,055,253      |
|     |                                                        |                                                                                                                |      | \$ 123,973,137 |

\* Indicates party-in-interest.

\*\* Information is not required as investments are participant-directed.



Report of Independent Auditors and Financial  
Statements — Modified Cash Basis with  
Supplementary Information for

The Kleinfelder Group, Inc.  
401(k) Plan

March 31, 2014 and 2013

**MOSS ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

## **CONTENTS**

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|                                                                                 | PAGE    |
|---------------------------------------------------------------------------------|---------|
| REPORT OF INDEPENDENT AUDITORS                                                  | 1 and 2 |
| FINANCIAL STATEMENTS                                                            |         |
| Statements of Net Assets Available for Benefits – Modified Cash Basis           | 3       |
| Statement of Changes in Net Assets Available for Benefits – Modified Cash Basis | 4       |
| Notes to Financial Statements                                                   | 5 – 11  |
| SUPPLEMENTARY INFORMATION REQUIRED BY THE DEPARTMENT OF LABOR                   |         |
| Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)                | 12      |

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee  
The Kleinfelder Group, Inc. 401(k) Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying statements of net assets available for benefits – modified cash basis of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) as of March 31, 2014 and 2013, the related statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014, 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 the modified cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 matters 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 (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 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 March 31, 2014 and 2013, and for the year ended March 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

**MOSS ADAMS<sub>LLP</sub>*****Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to that matter.

***Other Matter***

The schedule of assets (held at end of year) as of March 31, 2014, as required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, is presented for the purpose of additional analysis and is 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 this supplementary information.

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

The form and content of the information included in the financial statements and supplementary information, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

**Moss Adams LLP**

San Diego, California  
December 11, 2014

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS – MODIFIED CASH BASIS**  
**MARCH 31, 2014 AND 2013**

---

|                                          | <u>2014</u>                  | <u>2013</u>                  |
|------------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                            |                              |                              |
| Investments, at fair value               | \$ 121,917,884               | \$ 102,718,052               |
| Notes receivable from participants       | <u>2,055,253</u>             | <u>1,950,815</u>             |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <u><u>\$ 123,973,137</u></u> | <u><u>\$ 104,668,867</u></u> |

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –**  
**MODIFIED CASH BASIS**  
**YEAR ENDED MARCH 31, 2014**

---

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

Investment income:

|                                               |    |                   |
|-----------------------------------------------|----|-------------------|
| Net appreciation in fair value of investments | \$ | 14,363,582        |
| Interest and dividends                        |    | 3,026,981         |
|                                               |    | <u>17,390,563</u> |

|                                                       |  |                |
|-------------------------------------------------------|--|----------------|
| Interest income on notes receivable from participants |  | <u>100,202</u> |
|-------------------------------------------------------|--|----------------|

Contributions:

|             |  |                   |
|-------------|--|-------------------|
| Participant |  | 9,211,456         |
| Rollovers   |  | 4,198,526         |
| Other       |  | 327,749           |
|             |  | <u>13,737,731</u> |

|                 |  |                   |
|-----------------|--|-------------------|
| Total additions |  | <u>31,228,496</u> |
|-----------------|--|-------------------|

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

|                               |  |               |
|-------------------------------|--|---------------|
| Benefits paid to participants |  | 10,908,833    |
| KSOP transfers                |  | 980,110       |
| Administrative expenses       |  | <u>35,283</u> |

|                  |  |                   |
|------------------|--|-------------------|
| Total deductions |  | <u>11,924,226</u> |
|------------------|--|-------------------|

|                             |  |            |
|-----------------------------|--|------------|
| <b>CHANGE IN NET ASSETS</b> |  | 19,304,270 |
|-----------------------------|--|------------|

**NET ASSETS AVAILABLE FOR BENEFITS**

|                   |    |                           |
|-------------------|----|---------------------------|
| Beginning of year |    | <u>104,668,867</u>        |
| End of year       | \$ | <u><u>123,973,137</u></u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 1 – Description of the Plan**

The following description of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan Agreement, as amended, for a more complete description of the Plan’s provisions.

**General** – The Plan is a 401(k) salary deferral plan covering substantially all employees of The Kleinfelder Group, Inc. (the “Company”) and is subject to provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Company is the Plan’s sponsor and serves as plan administrator.

**Eligibility** – All employees of the Company are eligible to participate in the Plan except those covered by a collective bargaining agreement (unless the agreement requires the participant to be eligible). There are no eligibility requirements such as age or minimum length of service.

**Amendment for KSOP transfers** – Effective April 1, 2007, the Company’s Employee Stock Ownership Plan (“ESOP”) was amended to adopt a KSOP addendum. The KSOP addendum allowed each participant who is also a participant in the Company’s ESOP to be eligible to make an election on each election date, as defined, to transfer funds immediately following the transfer date, as defined, from their 401(k) account to their KSOP account in the ESOP or from their KSOP account back to the 401(k) plan. Transfers from the 401(k) account cannot include any employer contributions and/or earnings. All KSOP transfers must be a minimum of \$150 and are not to exceed 15 percent of the combined balance of 401(k) employee deferrals and the KSOP account.

**Contributions** – Participants may elect to contribute between 1 and 50 percent of eligible compensation to the Plan each year. Participants may also contribute amounts representing distributions from other qualified defined-benefit or defined-contribution plans. The Company may elect to make discretionary matching contributions to the Plan. Participants must be employed as of the last day of the plan year to be eligible to receive any matching contributions. Matching contributions are allocated to participants based on a percentage of participant contributions. There were no matching contributions for the year ended March 31, 2014.

The Company also has the option to make contributions to the Plan on behalf of all participants, which shall be treated as qualified, non-elective employer contributions (“QNEC”) to the extent such contributions may be used to meet the nondiscrimination requirements of the Internal Revenue Code (the “IRC”). Allocations of QNEC to participants are made in the ratio that each non-highly-compensated participant’s compensation for the plan year bears to the total compensation of all non-highly-compensated participants for the plan year. There were no QNEC for the year ended March 31, 2014.

Contributions are subject to regulatory limitations.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### Note 1 – Description of the Plan (continued)

**Participant accounts** – Each participant's account is credited with the participant's contribution and allocations of: (a) the Company's contribution; and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined.

Participants may direct the investment of their account balances into various investment options offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting** – Participants are fully vested in their salary deferrals and QNEC, plus actual earnings thereon. Vesting in Company contributions is based on years of service, with increases in increments after the first year of 20 percent per year until fully vested after six years.

**Notes receivable from participants** – Participants may borrow from their accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loans are secured by the balance of the participant's account and bear fixed, reasonable rates of interest, as determined by the plan administrator. The maximum loan term is five years unless the loan qualifies as a home loan, in which case the term of the loan is not to exceed 30 years. Principal and interest are paid ratably through payroll deductions. As of March 31, 2014, the rates of interest on outstanding loans ranged from 4.25 to 9.25 percent, with various maturities through December 2043.

**Payment of benefits** – Upon termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's account balance, annuity payments, or annual installments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeitures** – Forfeitures are the non-vested portion of a participant's account that is lost upon termination of employment. Forfeitures are retained in the Plan and will first be used to pay plan administrative expenses, with any remaining amount used to reduce future Company contributions. As of March 31, 2014 and 2013, forfeited non-vested accounts totaled \$12,522 and \$9,908, respectively. For the year ended March 31, 2014, administrative expenses were reduced by approximately \$3,000 from forfeited non-vested accounts. No amount was used to fund contributions.

#### Note 2 – Summary of Significant Accounting Policies

**Basis of accounting** – The financial statements of the Plan have been prepared on the modified cash basis of accounting. Accordingly, contributions and investment income are recognized when received rather than when earned, and plan expenses are recognized when paid rather than when the obligations are incurred.

**Use of estimates** – The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions that may affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Investment valuation** – Investments are stated at fair value as certified by the Plan’s trustee, Vanguard Fiduciary Trust Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

As of March 31, 2014 and 2013, contract value approximated fair value; therefore, there is no adjustment to contract value shown in the statements of net assets available for benefits.

**Income recognition** – Dividend and interest income is recorded when received. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents unpaid principal balance plus accrued but unpaid interest, and are classified as notes receivable.

**Payment of benefits** – Benefits are recorded when paid.

**Expenses** – Administrative expenses and certain transaction fees are paid by the Plan.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are issued or are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before the financial statements are issued.

The Plan has evaluated subsequent events through December 11, 2014, which is the date the financial statements were available to be issued.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### Note 3 – Investments

Investments representing 5 percent or more of net assets available for benefits consist of the following as of March 31:

|                                   | <b>2014</b>   | <b>2013</b>   |
|-----------------------------------|---------------|---------------|
| Vanguard PRIMECAP Fund Inv        | \$ 13,759,747 | \$ 11,237,538 |
| Vanguard 500 Index Inv            | 12,934,139    | 10,386,284    |
| Vanguard Total Bd Mkt Index Inv   | 10,218,727    | 11,621,928    |
| Vanguard Int'l Growth Fund Inv    | 9,807,097     | 8,198,623     |
| Vanguard Windsor II Fund Inv      | 9,100,886     | 7,957,427     |
| Vanguard Morgan Growth Inv        | 8,720,399     | 7,568,237     |
| Vanguard Extended Mkt Index Inv   | 7,551,631     | 6,032,658     |
| Vanguard Tgt Retirement 2025      | 6,335,621     | *             |
| PIMCO Stable Income Fund, Class 2 | *             | 7,164,471     |

\* Investment did not represent 5 percent or more of the net assets available for benefits in each respective year.

#### Note 4 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Level 1:** Inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2:** Inputs to the valuation methodology that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# THE KLEINFELDER GROUP, INC. 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### Note 4 – Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2014 and 2013.

*Registered investment companies (mutual funds)* – Shares of registered investment company funds (or mutual funds) are valued at the net asset value (“NAV”) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

*Stable value fund* – Units held in collective trusts (“CT”) are valued using the NAV of the CT as reported by the CT managers. The NAV is based on the fair value of the underlying assets owned by the CT, minus its liabilities, and then divided by the number of units outstanding. The NAV of a CT is calculated based on a compilation of primarily observable market information. The Plan has investments in the PIMCO Stable Income Fund, Class 2, which is a collective trust that seeks to outperform money markets on a consistent basis while providing principal stability. The CT invests primarily in investment-grade fixed-income securities, including but not limited to, U.S. government securities, corporate bonds, mortgage-backed securities, asset-backed securities, and derivative instruments, including futures and swaps. The average duration of the fund’s investments will vary over time, but is typically expected to be between two and three years. Other fund investments may include a variety of stable value investment contracts to help reduce principal volatility and provide steady income. The fund may also invest in cash or other liquid investments to help meet participant liquidity needs. Due to limitations on the transferability of investments in the stable value fund, it is not considered fully benefit-responsive.

The following tables disclose by level the fair value hierarchy of the Plan’s assets at fair value as of March 31, 2014 and 2013:

| Investment Assets at Fair Value as of March 31, 2014 |                       |                     |             |                       |
|------------------------------------------------------|-----------------------|---------------------|-------------|-----------------------|
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 32,287,243         | \$ -                | \$ -        | \$ 32,287,243         |
| Blended funds                                        | 34,489,628            | -                   | -           | 34,489,628            |
| Balanced funds                                       | 18,624,985            | -                   | -           | 18,624,985            |
| Intermediate term bond funds                         | 10,218,727            | -                   | -           | 10,218,727            |
| Value funds                                          | 12,352,650            | -                   | -           | 12,352,650            |
| Money-market funds                                   | 7,754,105             | -                   | -           | 7,754,105             |
| Stable value funds                                   | -                     | 6,190,546           | -           | 6,190,546             |
|                                                      | <u>\$ 115,727,338</u> | <u>\$ 6,190,546</u> | <u>\$ -</u> | <u>\$ 121,917,884</u> |
| Investment Assets at Fair Value as of March 31, 2013 |                       |                     |             |                       |
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 27,004,399         | \$ -                | \$ -        | \$ 27,004,399         |
| Blended funds                                        | 25,296,569            | -                   | -           | 25,296,569            |
| Balanced funds                                       | 15,468,369            | -                   | -           | 15,468,369            |
| Intermediate term bond funds                         | 11,621,928            | -                   | -           | 11,621,928            |
| Value funds                                          | 10,094,578            | -                   | -           | 10,094,578            |
| Money-market funds                                   | 6,067,738             | -                   | -           | 6,067,738             |
| Stable value funds                                   | -                     | 7,164,471           | -           | 7,164,471             |
|                                                      | <u>\$ 95,553,581</u>  | <u>\$ 7,164,471</u> | <u>\$ -</u> | <u>\$ 102,718,052</u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4 – Fair Value Measurements (continued)

During 2014, the Plan's investments (including gains and losses on investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

|                                 |                      |
|---------------------------------|----------------------|
| Registered investment companies | \$ 14,334,005        |
| Stable value funds              | <u>29,577</u>        |
|                                 | <u>\$ 14,363,582</u> |

#### Note 5 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated January 1, 2006, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

#### Note 6 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near-term could materially affect a participant's account balance and the amounts reported in the financial statements.

#### Note 7 – Information Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Vanguard Fiduciary Trust Company ("Vanguard"), the trustee of the Plan, has certified as to the completeness and accuracy of:

- Investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits – modified cash basis as of March 31, 2014 and 2013.
- Net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants reflected in the accompanying statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014.

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 7 – Information Certified by the Trustee (continued)**

- Investments reflected in the supplemental schedule of assets (held at end of year).

**Note 8 – Party-in-Interest Transactions**

Plan investments include shares of registered investment company funds managed by Vanguard. Vanguard is the trustee of the Plan; therefore, transactions with this entity qualify as exempt party-in-interest transactions. Fees paid by the Plan for recordkeeping and investment management services were \$35,283 for the year ended March 31, 2014.

**Note 9 – Plan Termination**

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, Company contribution amounts allocated to a participant's account become fully vested.

**Note 10 – Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits between the financial statements and Form 5500 as of March 31:

|                                                                         | <u>2014</u>           | <u>2013</u>           |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements          | \$ 123,973,137        | \$ 104,668,867        |
| Add receivables not included in the financial statements until received | 419,290               | 375,597               |
| Less difference in notes receivable from participants                   | <u>(3,793)</u>        | <u>(3,433)</u>        |
| Net assets available for benefits per Form 5500                         | <u>\$ 124,388,634</u> | <u>\$ 105,041,031</u> |

The following is a reconciliation of the change in net assets available for benefits for the year ended March 31, 2014:

|                                                                          |                      |
|--------------------------------------------------------------------------|----------------------|
| Change in net assets available for benefits per the financial statements | \$ 19,304,270        |
| Add participant contributions receivable, March 31, 2014                 | 419,290              |
| Less participant contributions receivable, March 31, 2013                | (375,597)            |
| Change in difference in notes receivable from participants               | <u>(360)</u>         |
| Change in net assets available for benefits per Form 5500                | <u>\$ 19,347,603</u> |

**SUPPLEMENTARY INFORMATION  
REQUIRED BY THE DEPARTMENT OF LABOR**

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**THE KLEINFELDER GROUP, INC. 401(K) PLAN  
SUPPLEMENTARY INFORMATION**

**EIN: 94-1532513**

**PLAN #: 002**

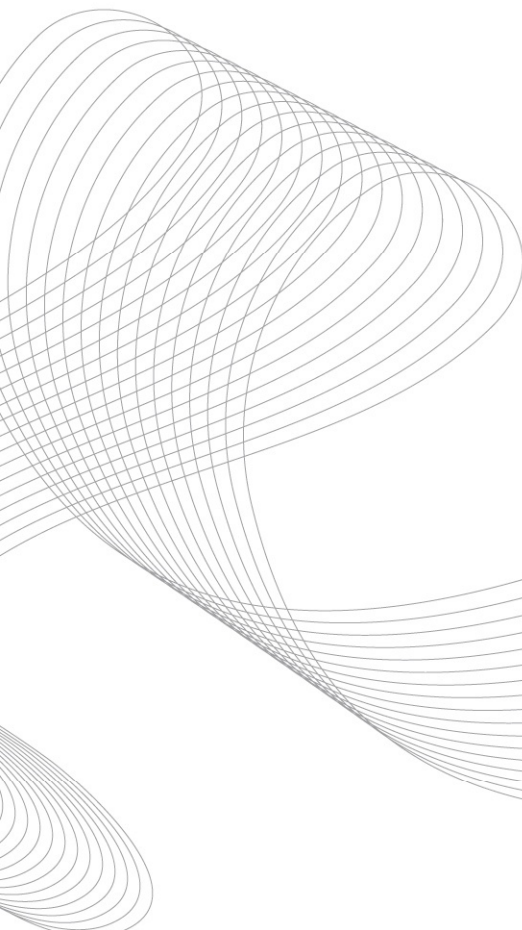
**SCHEDULE H, LINE 4(I) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**MARCH 31, 2014**

| (a) | (b)                                                    | (c)                                                                                                            | (d)  | (e)            |
|-----|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------|----------------|
|     | Identity of Issuer, Borrower, Lessor, or Similar Party | Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par Value, or Maturity Value | Cost | Current Value  |
| *   | Vanguard PRIMECAP Fund Inv                             | Registered investment company                                                                                  | **   | \$ 13,759,747  |
| *   | Vanguard 500 Index Inv                                 | Registered investment company                                                                                  | **   | 12,934,139     |
| *   | Vanguard Total Bd Mkt Indx Inv                         | Registered investment company                                                                                  | **   | 10,218,727     |
| *   | Vanguard Int'l Growth Fund Inv                         | Registered investment company                                                                                  | **   | 9,807,097      |
| *   | Vanguard Windsor II Fund Inv                           | Registered investment company                                                                                  | **   | 9,100,886      |
| *   | Vanguard Morgan Growth Inv                             | Registered investment company                                                                                  | **   | 8,720,399      |
| *   | Vanguard Extend Mkt Index Inv                          | Registered investment company                                                                                  | **   | 7,551,631      |
| *   | Vanguard Target Retirement 2025                        | Registered investment company                                                                                  | **   | 6,335,621      |
| *   | Vanguard Balanced Ix Inv                               | Registered investment company                                                                                  | **   | 5,595,388      |
| *   | Vanguard Target Retirement 2035                        | Registered investment company                                                                                  | **   | 5,503,794      |
| *   | Vanguard Target Retirement 2015                        | Registered investment company                                                                                  | **   | 4,464,049      |
| *   | Vanguard Target Retirement 2030                        | Registered investment company                                                                                  | **   | 4,144,931      |
| *   | Vanguard Target Retirement 2020                        | Registered investment company                                                                                  | **   | 3,607,211      |
| *   | Vanguard Target Retirement 2045                        | Registered investment company                                                                                  | **   | 3,527,593      |
| *   | Vanguard Selected Value                                | Registered investment company                                                                                  | **   | 3,251,764      |
| *   | Vanguard Target Retirement 2040                        | Registered investment company                                                                                  | **   | 3,132,179      |
| *   | Vanguard Target Retirement 2050                        | Registered investment company                                                                                  | **   | 1,915,987      |
| *   | Vanguard Target Retirement Inc                         | Registered investment company                                                                                  | **   | 1,119,674      |
| *   | Vanguard Target Retirement 2010                        | Registered investment company                                                                                  | **   | 488,040        |
| *   | Vanguard Target Retirement 2055                        | Registered investment company                                                                                  | **   | 222,965        |
| *   | Vanguard Prime Money Mkt                               | Registered investment company                                                                                  | **   | 202,474        |
|     | Principal Gl Div Inc Inst                              | Registered investment company                                                                                  | **   | 95,458         |
| *   | Vanguard Target Retirement 2060                        | Registered investment company                                                                                  | **   | 27,584         |
|     |                                                        |                                                                                                                |      | 115,727,338    |
|     | PIMCO Stable Income 2                                  | Common/Collective Trust                                                                                        | **   | 6,190,546      |
| *   | Notes receivable from participants                     | Interest rates ranging from 4.25 to 9.25 percent, maturing through December 2043                               | -    | 2,055,253      |
|     |                                                        |                                                                                                                |      | \$ 123,973,137 |

\* Indicates party-in-interest.

\*\* Information is not required as investments are participant-directed.



Report of Independent Auditors and Financial  
Statements — Modified Cash Basis with  
Supplementary Information for

The Kleinfelder Group, Inc.  
401(k) Plan

March 31, 2014 and 2013

**MOSS-ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

## **CONTENTS**

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|                                                                                 | PAGE    |
|---------------------------------------------------------------------------------|---------|
| REPORT OF INDEPENDENT AUDITORS                                                  | 1 and 2 |
| FINANCIAL STATEMENTS                                                            |         |
| Statements of Net Assets Available for Benefits – Modified Cash Basis           | 3       |
| Statement of Changes in Net Assets Available for Benefits – Modified Cash Basis | 4       |
| Notes to Financial Statements                                                   | 5 – 11  |
| SUPPLEMENTARY INFORMATION REQUIRED BY THE DEPARTMENT OF LABOR                   |         |
| Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)                | 12      |

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee  
The Kleinfelder Group, Inc. 401(k) Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying statements of net assets available for benefits – modified cash basis of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) as of March 31, 2014 and 2013, the related statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014, 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 the modified cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 matters 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 (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the 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 March 31, 2014 and 2013, and for the year ended March 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

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

**MOSS ADAMS<sub>LLP</sub>*****Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to that matter.

***Other Matter***

The schedule of assets (held at end of year) as of March 31, 2014, as required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, is presented for the purpose of additional analysis and is 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 this supplementary information.

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

The form and content of the information included in the financial statements and supplementary information, 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

**Moss Adams LLP**

San Diego, California  
December 11, 2014

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS – MODIFIED CASH BASIS**  
**MARCH 31, 2014 AND 2013**

---

|                                          | <u>2014</u>                  | <u>2013</u>                  |
|------------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                            |                              |                              |
| Investments, at fair value               | \$ 121,917,884               | \$ 102,718,052               |
| Notes receivable from participants       | <u>2,055,253</u>             | <u>1,950,815</u>             |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <u><u>\$ 123,973,137</u></u> | <u><u>\$ 104,668,867</u></u> |

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –**  
**MODIFIED CASH BASIS**  
**YEAR ENDED MARCH 31, 2014**

---

**ADDITIONS TO NET ASSETS ATTRIBUTED TO:**

Investment income:

|                                               |                   |
|-----------------------------------------------|-------------------|
| Net appreciation in fair value of investments | \$ 14,363,582     |
| Interest and dividends                        | 3,026,981         |
|                                               | <u>17,390,563</u> |

|                                                       |                |
|-------------------------------------------------------|----------------|
| Interest income on notes receivable from participants | <u>100,202</u> |
|-------------------------------------------------------|----------------|

Contributions:

|             |                   |
|-------------|-------------------|
| Participant | 9,211,456         |
| Rollovers   | 4,198,526         |
| Other       | 327,749           |
|             | <u>13,737,731</u> |

|                 |                   |
|-----------------|-------------------|
| Total additions | <u>31,228,496</u> |
|-----------------|-------------------|

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:**

|                               |               |
|-------------------------------|---------------|
| Benefits paid to participants | 10,908,833    |
| KSOP transfers                | 980,110       |
| Administrative expenses       | <u>35,283</u> |

|                  |                   |
|------------------|-------------------|
| Total deductions | <u>11,924,226</u> |
|------------------|-------------------|

|                             |                   |
|-----------------------------|-------------------|
| <b>CHANGE IN NET ASSETS</b> | <b>19,304,270</b> |
|-----------------------------|-------------------|

**NET ASSETS AVAILABLE FOR BENEFITS**

|                   |                              |
|-------------------|------------------------------|
| Beginning of year | <u>104,668,867</u>           |
| End of year       | <u><u>\$ 123,973,137</u></u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### **Note 1 – Description of the Plan**

The following description of The Kleinfelder Group, Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan Agreement, as amended, for a more complete description of the Plan’s provisions.

**General** – The Plan is a 401(k) salary deferral plan covering substantially all employees of The Kleinfelder Group, Inc. (the “Company”) and is subject to provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Company is the Plan’s sponsor and serves as plan administrator.

**Eligibility** – All employees of the Company are eligible to participate in the Plan except those covered by a collective bargaining agreement (unless the agreement requires the participant to be eligible). There are no eligibility requirements such as age or minimum length of service.

**Amendment for KSOP transfers** – Effective April 1, 2007, the Company’s Employee Stock Ownership Plan (“ESOP”) was amended to adopt a KSOP addendum. The KSOP addendum allowed each participant who is also a participant in the Company’s ESOP to be eligible to make an election on each election date, as defined, to transfer funds immediately following the transfer date, as defined, from their 401(k) account to their KSOP account in the ESOP or from their KSOP account back to the 401(k) plan. Transfers from the 401(k) account cannot include any employer contributions and/or earnings. All KSOP transfers must be a minimum of \$150 and are not to exceed 15 percent of the combined balance of 401(k) employee deferrals and the KSOP account.

**Contributions** – Participants may elect to contribute between 1 and 50 percent of eligible compensation to the Plan each year. Participants may also contribute amounts representing distributions from other qualified defined-benefit or defined-contribution plans. The Company may elect to make discretionary matching contributions to the Plan. Participants must be employed as of the last day of the plan year to be eligible to receive any matching contributions. Matching contributions are allocated to participants based on a percentage of participant contributions. There were no matching contributions for the year ended March 31, 2014.

The Company also has the option to make contributions to the Plan on behalf of all participants, which shall be treated as qualified, non-elective employer contributions (“QNEC”) to the extent such contributions may be used to meet the nondiscrimination requirements of the Internal Revenue Code (the “IRC”). Allocations of QNEC to participants are made in the ratio that each non-highly-compensated participant’s compensation for the plan year bears to the total compensation of all non-highly-compensated participants for the plan year. There were no QNEC for the year ended March 31, 2014.

Contributions are subject to regulatory limitations.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

#### Note 1 – Description of the Plan (continued)

**Participant accounts** – Each participant's account is credited with the participant's contribution and allocations of: (a) the Company's contribution; and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined.

Participants may direct the investment of their account balances into various investment options offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting** – Participants are fully vested in their salary deferrals and QNEC, plus actual earnings thereon. Vesting in Company contributions is based on years of service, with increases in increments after the first year of 20 percent per year until fully vested after six years.

**Notes receivable from participants** – Participants may borrow from their accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loans are secured by the balance of the participant's account and bear fixed, reasonable rates of interest, as determined by the plan administrator. The maximum loan term is five years unless the loan qualifies as a home loan, in which case the term of the loan is not to exceed 30 years. Principal and interest are paid ratably through payroll deductions. As of March 31, 2014, the rates of interest on outstanding loans ranged from 4.25 to 9.25 percent, with various maturities through December 2043.

**Payment of benefits** – Upon termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's account balance, annuity payments, or annual installments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeitures** – Forfeitures are the non-vested portion of a participant's account that is lost upon termination of employment. Forfeitures are retained in the Plan and will first be used to pay plan administrative expenses, with any remaining amount used to reduce future Company contributions. As of March 31, 2014 and 2013, forfeited non-vested accounts totaled \$12,522 and \$9,908, respectively. For the year ended March 31, 2014, administrative expenses were reduced by approximately \$3,000 from forfeited non-vested accounts. No amount was used to fund contributions.

#### Note 2 – Summary of Significant Accounting Policies

**Basis of accounting** – The financial statements of the Plan have been prepared on the modified cash basis of accounting. Accordingly, contributions and investment income are recognized when received rather than when earned, and plan expenses are recognized when paid rather than when the obligations are incurred.

**Use of estimates** – The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions that may affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 2 – Summary of Significant Accounting Policies (continued)**

**Investment valuation** – Investments are stated at fair value as certified by the Plan’s trustee, Vanguard Fiduciary Trust Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

As of March 31, 2014 and 2013, contract value approximated fair value; therefore, there is no adjustment to contract value shown in the statements of net assets available for benefits.

**Income recognition** – Dividend and interest income is recorded when received. The net appreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

**Notes receivable from participants** – Notes receivable from participants are measured at amortized cost, which represents unpaid principal balance plus accrued but unpaid interest, and are classified as notes receivable.

**Payment of benefits** – Benefits are recorded when paid.

**Expenses** – Administrative expenses and certain transaction fees are paid by the Plan.

**Subsequent events** – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are issued or are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before the financial statements are issued.

The Plan has evaluated subsequent events through December 11, 2014, which is the date the financial statements were available to be issued.

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### Note 3 – Investments

Investments representing 5 percent or more of net assets available for benefits consist of the following as of March 31:

|                                   | 2014          | 2013          |
|-----------------------------------|---------------|---------------|
| Vanguard PRIMECAP Fund Inv        | \$ 13,759,747 | \$ 11,237,538 |
| Vanguard 500 Index Inv            | 12,934,139    | 10,386,284    |
| Vanguard Total Bd Mkt Index Inv   | 10,218,727    | 11,621,928    |
| Vanguard Int'l Growth Fund Inv    | 9,807,097     | 8,198,623     |
| Vanguard Windsor II Fund Inv      | 9,100,886     | 7,957,427     |
| Vanguard Morgan Growth Inv        | 8,720,399     | 7,568,237     |
| Vanguard Extended Mkt Index Inv   | 7,551,631     | 6,032,658     |
| Vanguard Tgt Retirement 2025      | 6,335,621     | *             |
| PIMCO Stable Income Fund, Class 2 | *             | 7,164,471     |

\* Investment did not represent 5 percent or more of the net assets available for benefits in each respective year.

#### Note 4 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Level 1:** Inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**Level 2:** Inputs to the valuation methodology that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# THE KLEINFELDER GROUP, INC. 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### Note 4 – Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2014 and 2013.

*Registered investment companies (mutual funds)* – Shares of registered investment company funds (or mutual funds) are valued at the net asset value (“NAV”) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

*Stable value fund* – Units held in collective trusts (“CT”) are valued using the NAV of the CT as reported by the CT managers. The NAV is based on the fair value of the underlying assets owned by the CT, minus its liabilities, and then divided by the number of units outstanding. The NAV of a CT is calculated based on a compilation of primarily observable market information. The Plan has investments in the PIMCO Stable Income Fund, Class 2, which is a collective trust that seeks to outperform money markets on a consistent basis while providing principal stability. The CT invests primarily in investment-grade fixed-income securities, including but not limited to, U.S. government securities, corporate bonds, mortgage-backed securities, asset-backed securities, and derivative instruments, including futures and swaps. The average duration of the fund’s investments will vary over time, but is typically expected to be between two and three years. Other fund investments may include a variety of stable value investment contracts to help reduce principal volatility and provide steady income. The fund may also invest in cash or other liquid investments to help meet participant liquidity needs. Due to limitations on the transferability of investments in the stable value fund, it is not considered fully benefit-responsive.

The following tables disclose by level the fair value hierarchy of the Plan’s assets at fair value as of March 31, 2014 and 2013:

| Investment Assets at Fair Value as of March 31, 2014 |                       |                     |             |                       |
|------------------------------------------------------|-----------------------|---------------------|-------------|-----------------------|
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 32,287,243         | \$ -                | \$ -        | \$ 32,287,243         |
| Blended funds                                        | 34,489,628            | -                   | -           | 34,489,628            |
| Balanced funds                                       | 18,624,985            | -                   | -           | 18,624,985            |
| Intermediate term bond funds                         | 10,218,727            | -                   | -           | 10,218,727            |
| Value funds                                          | 12,352,650            | -                   | -           | 12,352,650            |
| Money-market funds                                   | 7,754,105             | -                   | -           | 7,754,105             |
| Stable value funds                                   | -                     | 6,190,546           | -           | 6,190,546             |
|                                                      | <u>\$ 115,727,338</u> | <u>\$ 6,190,546</u> | <u>\$ -</u> | <u>\$ 121,917,884</u> |
| Investment Assets at Fair Value as of March 31, 2013 |                       |                     |             |                       |
|                                                      | Level 1               | Level 2             | Level 3     | Total                 |
| Registered investment companies:                     |                       |                     |             |                       |
| Growth funds                                         | \$ 27,004,399         | \$ -                | \$ -        | \$ 27,004,399         |
| Blended funds                                        | 25,296,569            | -                   | -           | 25,296,569            |
| Balanced funds                                       | 15,468,369            | -                   | -           | 15,468,369            |
| Intermediate term bond funds                         | 11,621,928            | -                   | -           | 11,621,928            |
| Value funds                                          | 10,094,578            | -                   | -           | 10,094,578            |
| Money-market funds                                   | 6,067,738             | -                   | -           | 6,067,738             |
| Stable value funds                                   | -                     | 7,164,471           | -           | 7,164,471             |
|                                                      | <u>\$ 95,553,581</u>  | <u>\$ 7,164,471</u> | <u>\$ -</u> | <u>\$ 102,718,052</u> |

## THE KLEINFELDER GROUP, INC. 401(K) PLAN

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4 – Fair Value Measurements (continued)

During 2014, the Plan's investments (including gains and losses on investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

|                                 |                      |
|---------------------------------|----------------------|
| Registered investment companies | \$ 14,334,005        |
| Stable value funds              | <u>29,577</u>        |
|                                 | <u>\$ 14,363,582</u> |

#### Note 5 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated January 1, 2006, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan was designed and is currently being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

#### Note 6 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. It is reasonably possible, given the level of risk associated with investment securities, that changes in the near-term could materially affect a participant's account balance and the amounts reported in the financial statements.

#### Note 7 – Information Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Vanguard Fiduciary Trust Company ("Vanguard"), the trustee of the Plan, has certified as to the completeness and accuracy of:

- Investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits – modified cash basis as of March 31, 2014 and 2013.
- Net appreciation in fair value of investments, interest, dividends, and interest income on notes receivable from participants reflected in the accompanying statement of changes in net assets available for benefits – modified cash basis for the year ended March 31, 2014.

**THE KLEINFELDER GROUP, INC. 401(K) PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 7 – Information Certified by the Trustee (continued)**

- Investments reflected in the supplemental schedule of assets (held at end of year).

**Note 8 – Party-in-Interest Transactions**

Plan investments include shares of registered investment company funds managed by Vanguard. Vanguard is the trustee of the Plan; therefore, transactions with this entity qualify as exempt party-in-interest transactions. Fees paid by the Plan for recordkeeping and investment management services were \$35,283 for the year ended March 31, 2014.

**Note 9 – Plan Termination**

Although it has not expressed any intention to do so, the Company has the right to terminate the Plan and discontinue its contributions at any time. If the Plan is terminated, Company contribution amounts allocated to a participant's account become fully vested.

**Note 10 – Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits between the financial statements and Form 5500 as of March 31:

|                                                                         | <u>2014</u>           | <u>2013</u>           |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Net assets available for benefits per the financial statements          | \$ 123,973,137        | \$ 104,668,867        |
| Add receivables not included in the financial statements until received | 419,290               | 375,597               |
| Less difference in notes receivable from participants                   | <u>(3,793)</u>        | <u>(3,433)</u>        |
| Net assets available for benefits per Form 5500                         | <u>\$ 124,388,634</u> | <u>\$ 105,041,031</u> |

The following is a reconciliation of the change in net assets available for benefits for the year ended March 31, 2014:

|                                                                          |                      |
|--------------------------------------------------------------------------|----------------------|
| Change in net assets available for benefits per the financial statements | \$ 19,304,270        |
| Add participant contributions receivable, March 31, 2014                 | 419,290              |
| Less participant contributions receivable, March 31, 2013                | (375,597)            |
| Change in difference in notes receivable from participants               | <u>(360)</u>         |
| Change in net assets available for benefits per Form 5500                | <u>\$ 19,347,603</u> |

**SUPPLEMENTARY INFORMATION  
REQUIRED BY THE DEPARTMENT OF LABOR**

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**THE KLEINFELDER GROUP, INC. 401(K) PLAN  
SUPPLEMENTARY INFORMATION**

**EIN: 94-1532513**

**PLAN #: 002**

**SCHEDULE H, LINE 4(I) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**MARCH 31, 2014**

| (a) | (b)                                                    | (c)                                                                                                            | (d)  | (e)            |
|-----|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------|----------------|
|     | Identity of Issuer, Borrower, Lessor, or Similar Party | Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par Value, or Maturity Value | Cost | Current Value  |
| *   | Vanguard PRIMECAP Fund Inv                             | Registered investment company                                                                                  | **   | \$ 13,759,747  |
| *   | Vanguard 500 Index Inv                                 | Registered investment company                                                                                  | **   | 12,934,139     |
| *   | Vanguard Total Bd Mkt Indx Inv                         | Registered investment company                                                                                  | **   | 10,218,727     |
| *   | Vanguard Int'l Growth Fund Inv                         | Registered investment company                                                                                  | **   | 9,807,097      |
| *   | Vanguard Windsor II Fund Inv                           | Registered investment company                                                                                  | **   | 9,100,886      |
| *   | Vanguard Morgan Growth Inv                             | Registered investment company                                                                                  | **   | 8,720,399      |
| *   | Vanguard Extend Mkt Index Inv                          | Registered investment company                                                                                  | **   | 7,551,631      |
| *   | Vanguard Target Retirement 2025                        | Registered investment company                                                                                  | **   | 6,335,621      |
| *   | Vanguard Balanced Ix Inv                               | Registered investment company                                                                                  | **   | 5,595,388      |
| *   | Vanguard Target Retirement 2035                        | Registered investment company                                                                                  | **   | 5,503,794      |
| *   | Vanguard Target Retirement 2015                        | Registered investment company                                                                                  | **   | 4,464,049      |
| *   | Vanguard Target Retirement 2030                        | Registered investment company                                                                                  | **   | 4,144,931      |
| *   | Vanguard Target Retirement 2020                        | Registered investment company                                                                                  | **   | 3,607,211      |
| *   | Vanguard Target Retirement 2045                        | Registered investment company                                                                                  | **   | 3,527,593      |
| *   | Vanguard Selected Value                                | Registered investment company                                                                                  | **   | 3,251,764      |
| *   | Vanguard Target Retirement 2040                        | Registered investment company                                                                                  | **   | 3,132,179      |
| *   | Vanguard Target Retirement 2050                        | Registered investment company                                                                                  | **   | 1,915,987      |
| *   | Vanguard Target Retirement Inc                         | Registered investment company                                                                                  | **   | 1,119,674      |
| *   | Vanguard Target Retirement 2010                        | Registered investment company                                                                                  | **   | 488,040        |
| *   | Vanguard Target Retirement 2055                        | Registered investment company                                                                                  | **   | 222,965        |
| *   | Vanguard Prime Money Mkt                               | Registered investment company                                                                                  | **   | 202,474        |
|     | Principal Gl Div Inc Inst                              | Registered investment company                                                                                  | **   | 95,458         |
| *   | Vanguard Target Retirement 2060                        | Registered investment company                                                                                  | **   | 27,584         |
|     |                                                        |                                                                                                                |      | 115,727,338    |
|     | PIMCO Stable Income 2                                  | Common/Collective Trust                                                                                        | **   | 6,190,546      |
| *   | Notes receivable from participants                     | Interest rates ranging from 4.25 to 9.25 percent, maturing through December 2043                               | -    | 2,055,253      |
|     |                                                        |                                                                                                                |      | \$ 123,973,137 |

\* Indicates party-in-interest.

\*\* Information is not required as investments are participant-directed.