

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2014
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>SEBESTA, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u> 1c Effective date of plan <u>01/01/2001</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SEBESTA, INC.</u> <u>1450 ENERGY PARK DR SUITE 300</u> <u>ST. PAUL, MN 55108</u>	2b Employer Identification Number (EIN) <u>41-1787792</u> 2c Plan Sponsor's telephone number <u>651-634-0775</u> 2d Business code (see instructions) <u>541330</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.

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

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 246
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 160
a(2) Total number of active participants at the end of the plan year	6a(2) 170
b Retired or separated participants receiving benefits	6b 59
c Other retired or separated participants entitled to future benefits.....	6c 58
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 287
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 287
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 269
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 17
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2P 2Q 3I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>SEBESTA, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>		B Three-digit plan number (PN) ► <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SEBESTA, INC.</u>		D Employer Identification Number (EIN) <u>41-1787792</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	264686	264994
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	4148	4150
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	0
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	4100432	2497489
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4369266	2766633

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	85175	79236
i Acquisition indebtedness	1i	2643629	2484631
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	2728804	2563867

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1640462	202766
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	265053	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		265053
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-1312428	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-1312428

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-1047375

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	290515	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		290515
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		99806
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)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		390321

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-1437696
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: REDPATH AND COMPANY, LTD.

(2) EIN: 41-0975573

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
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		500000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>SEBESTA, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SEBESTA, INC.</u>	D Employer Identification Number (EIN) <u>41-1787792</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>39-6436442</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

December 31, 2014 and 2013

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SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors, Trustees and Participants
Sebesta, Inc. Employee Stock Ownership Plan
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Sebesta, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

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significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Sebesta, Inc. Employee Stock Ownership Plan as of December 31, 2014 and 2013, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, Schedule 1 and 2 as of or for the year ended December 31, 2014, are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Securities Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

October 12, 2015

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FINANCIAL STATEMENTS

SEBESTA, INC.**EMPLOYEE STOCK OWNERSHIP PLAN****Statement 1****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

December 31, 2014 and 2013

	2014		
	Allocated	Unallocated	Total
Assets:			
Investments, at fair value:			
Money market	\$4,150	\$ -	\$4,150
Investment in Sebesta, Inc. common stock	1,757,849	739,640	2,497,489
Receivables:			
Employer contributions	251	264,743	264,994
Total assets	<u>1,762,250</u>	<u>1,004,383</u>	<u>2,766,633</u>
Liabilities:			
Accrued interest	-	(79,236)	(79,236)
Notes payable	-	(2,484,631)	(2,484,631)
Total liabilities	<u>0</u>	<u>(2,563,867)</u>	<u>(2,563,867)</u>
Net assets available for benefits	<u>\$1,762,250</u>	<u>(\$1,559,484)</u>	<u>\$202,766</u>
	2013		
	Allocated	Unallocated	Total
Assets:			
Investments, at fair value:			
Money market	\$4,148	\$ -	\$4,148
Investment in Sebesta, Inc. common stock	2,878,086	1,222,346	4,100,432
Receivables:			
Employer contributions	-	264,686	264,686
Total assets	<u>2,882,234</u>	<u>1,487,032</u>	<u>4,369,266</u>
Liabilities:			
Accrued interest	-	(85,175)	(85,175)
Notes payable	-	(2,643,629)	(2,643,629)
Total liabilities	<u>0</u>	<u>(2,728,804)</u>	<u>(2,728,804)</u>
Net assets available for benefits	<u>\$2,882,234</u>	<u>(\$1,241,772)</u>	<u>\$1,640,462</u>

The accompanying notes are an integral part of these financial statements

SEBESTA, INC.**EMPLOYEE STOCK OWNERSHIP PLAN****Statement 2****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

For The Years Ended December 31, 2014 and 2013

	2014		
	Allocated	Unallocated	Total
Additions:			
Employer contributions	\$252	\$264,801	\$265,053
Total additions	252	264,801	265,053
Deductions:			
Net depreciation in fair value of the investment in Sebesta, Inc. common stock	891,358	421,070	1,312,428
Distributions to participants	290,515	-	290,515
Interest expense	-	99,806	99,806
Total deductions	1,181,873	520,876	1,702,749
Net decrease before allocation	(1,181,621)	(256,075)	(1,437,696)
Allocation of 13,667 shares of Sebesta, Inc. common stock	61,637	(61,637)	-
Net decrease net assets available for benefits	(1,119,984)	(317,712)	(1,437,696)
Net assets available for benefits:			
Beginning of year	2,882,234	(1,241,772)	1,640,462
End of year	<u>\$1,762,250</u>	<u>(\$1,559,484)</u>	<u>\$202,766</u>
	2013		
	Allocated	Unallocated	Total
Additions:			
Employer contributions	\$315,617	\$529,429	\$845,046
Deductions:			
Net depreciation in fair value of the investment in Sebesta, Inc. common stock	748,620	353,968	1,102,588
Distributions to participants	316,480	-	316,480
Interest expense	-	113,140	113,140
Total deductions	1,065,100	467,108	1,532,208
Net decrease before allocation	(749,483)	62,321	(687,162)
Allocation of 13,667 shares of Sebesta, Inc. common stock	94,027	(94,027)	-
Net decrease net assets available for benefits	(655,456)	(31,706)	(687,162)
Net assets available for benefits:			
Beginning of year	3,537,690	(1,210,066)	2,327,624
End of year	<u>\$2,882,234</u>	<u>(\$1,241,772)</u>	<u>\$1,640,462</u>

The accompanying notes are an integral part of these financial statements

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SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 1 PLAN DESCRIPTION AND BASIS OF PRESENTATION

The following brief description of the Sebesta, Inc. Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

GENERAL

Sebesta, Inc. (formerly known as Sebesta Blomberg & Associates, Inc.) (the Company) established the Sebesta, Inc. Employee Stock Ownership Plan effective as of January 15, 2008. As of January 1, 2012, the Plan was amended and operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975 (e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of ERISA. The Plan is administered by the Company.

The Plan purchased Company common stock using the proceeds of a note payable (see Note 7) and holds the common stock in a trust established under the Plan. As the Plan makes debt payments, an appropriate percentage of Company stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against the shares of common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2014 and 2013, and for the years ended December 31, 2014 and 2013, present separately the assets and liabilities and changes therein pertaining to

- a. the accounts of participants with vested rights in allocated common stock (allocated), and
- b. common stock not yet allocated to participants (unallocated).

ELIGIBILITY

Employees of the Company are generally eligible to participate in the Plan on their date of hire. Entry dates are the first day of each month. Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions for such year.

EMPLOYER CONTRIBUTIONS

The Company is obligated to make contributions in cash to the Plan equal to the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

PAYMENT OF BENEFITS

Distributions on the account of death, disability, or retirement are made in a lump sum in the Plan year following the event. Distributions for other separations from service commence in the Plan year following the separation and are made in a lump sum or installments, as defined in the Plan. The amount to be distributed is based upon the account valuation date immediately preceding the distribution. Distributions are made in cash, or if a participant elects, in the form of Company common stock plus cash for any fractional share of common stock.

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. During 2014, the Company repurchased from participants 42,226 shares at prices determined from the independent appraisal.

ADMINISTRATIVE EXPENSES

As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

VOTING RIGHTS

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to the Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Plan Administrator should direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of the financed common stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

PARTICIPANT ACCOUNTS

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account, forfeitures of terminated participants' nonvested accounts and the participant's allocable share of employer contributions. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

VESTING

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. For contributions on or before December 31, 2006, participants are 20 percent vested after three years of credited service and vesting increases by 20 percent per year until seven years of service. For contributions made on or after January 1, 2007, participants vest 20 percent per year of service and are 100 percent vested after five years of service.

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

PUT OPTION

Under federal income tax regulations, the employer stock held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock, as determined by the most recent appraised value of the Company stock. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash. Neither the Company nor the Plan is obligated to purchase Company stock from participants more than 120 days after the stock has been distributed from the Plan.

DIVERSIFICATION

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent, less any shares previously diversified. The shares that are diversified will be transferred to the Sebesta, Inc. 401(k) Plan, another qualified retirement account, or paid in cash.

FORFEITURES

Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2014 and 2013, totaled approximately \$15,000 and \$11,000, respectively.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

USE OF ESTIMATES

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

RISKS AND UNCERTAINTIES

The Plan's investments consist primarily of the Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with investments in common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

INVESTMENT VALUATION AND INCOME RECOGNITION

The shares of Company common stock are valued at fair value. See Note 6 for discussion of fair value measurements.

Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. Contributions are allocated during the Plan year the cash is received.

SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 12, 2015, the date the financial statements were available to be issued.

Subsequent to year end, the Plan changed asset custodians.

Note 3 TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated June 21, 2010, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

Note 4 ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common stock, are held by the asset custodian of the Plan.

Company contributions are held by the asset custodian, which invests cash received, interest, and dividend income and makes distributions to participants. The asset custodian also administers the payment of interest and principal on the loan.

Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 5 INVESTMENTS

The Plan's investment, the Company's common stock, (which represents 5% or more of net assets available for benefits) as of December 31, is as follows:

	2014		
	Allocated	Unallocated	Total
Number of shares	389,767	164,000	553,767
Cost	\$4,336,500	\$2,335,356	\$6,671,856
Fair value	\$1,757,849	\$739,640	\$2,497,489

	2013		
	Allocated	Unallocated	Unallocated
Number of shares	418,327	177,666	595,993
Cost	\$4,606,904	\$2,529,974	\$7,136,878
Fair value	\$2,878,086	\$1,222,346	\$4,100,432

During the year ended December 31, 2014 Sebesta, Inc. purchased 42,226 of its shares from the Sebesta, Inc. Employee Stock Ownership Plan reducing the total number of shares in the Plan from 595,993 to 553,767. The shares were purchased from terminated participants for \$6.88 per share, the estimated fair market value as of December 31, 2013, for a total of \$290,515. The shares were subsequently retired.

The fair value of the Sponsor's common stock is \$4.51 and \$6.88 per share as of December 31, 2014 and 2013, respectively.

Note 6 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) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy under FASB's authoritative guidance are described as follows:

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

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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

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

Investment in money market account: Valued at actual cash balance at the reporting date.

Investment in Sebesta, Inc. common stock: The Company's common stock has been valued at fair value based on a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow, net income and market comparables. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

Description	Fair Value	Valuation Techniques	Unobservable Input
Sebesta, Inc. common stock	\$2,497,489	Income	EBITDA
			Net income
			Weighted average cost of capital
			Discount rate
			Discount for lack of marketability
		Market	Public comparables
			Revenue multiples
			EBITDA multiples
			Discount for lack of marketability

The valuation process involves the trustee's selection of an independent appraiser. Management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which the external trustee and Board of Directors reviews in detail, discusses, and approves.

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

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2014			
	Level 1	Level 2	Level 3	Total
Money market	\$4,150	\$ -	\$ -	\$4,150
Sebesta, Inc. common stock	-	-	2,497,489	2,497,489
Total investments at fair value	<u>\$4,150</u>	<u>\$0</u>	<u>\$2,497,489</u>	<u>\$2,501,639</u>

	2013			
	Level 1	Level 2	Level 3	Total
Money market	\$ -	\$4,148	\$ -	\$4,148
Sebesta, Inc. common stock	-	-	4,100,432	4,100,432
Total investments at fair value	<u>\$0</u>	<u>\$4,148</u>	<u>\$4,100,432</u>	<u>\$4,104,580</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	2014	2013
Balance, beginning of year	\$4,100,432	\$5,203,020
Redemptions	(290,515)	-
Net depreciation in value of stock	<u>(1,312,428)</u>	<u>(1,102,588)</u>
Balance, end of year	<u>\$2,497,489</u>	<u>\$4,100,432</u>

Note 7 LOAN PAYABLE

In 2010, the Plan entered into a \$2,919,200 term loan agreement with the Company. The proceeds of the loan were used to purchase Company common stock. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payment, plus all future years' principal and interest payments. This resulted in 13,667 shares being released and allocated for the plan year ended December 31, 2014.

The agreement provides for the loan to be repaid over 15 years. The remaining balance of the note payable as of December 31, 2014 and 2013, was \$2,484,631 and \$2,643,629, respectively. The scheduled amortization of the loan for the next 5 years and thereafter is as follows: 2015 - \$165,358; 2016 - \$171,972; 2017 - \$178,851; 2018 - \$186,005; 2019 - \$193,445, and thereafter - \$1,589,000. The loan bears interest at 4 percent.

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

Note 8 RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan invests in Company common stock and has indebtedness to the Company. These are related party and party-in-interest transactions. As described in Note 1 and 4, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

SUPPLEMENTAL SCHEDULES

SEBESTA, INC.**EMPLOYEE STOCK OWNERSHIP PLAN****Schedule 1**

EIN 41-1787792

PLAN NUMBER 002

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

December 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower etc.	Description	Cost	Current Value
*	Sebesta , Inc. common stock - 389,767 allocated shares	Sponsor Company's Common Stock	\$4,336,500	\$1,757,849
*	Sebesta, Inc. common stock - 164,000 unallocated shares	Sponsor Company's Common Stock	2,335,356	739,640
*	Federated Prime Obligations Fund	Money Market	4,150	4,150
			<u>\$6,676,006</u>	<u>\$2,501,639</u>

*Indicates parties-in-interest

SEBESTA, INC.**EMPLOYEE STOCK OWNERSHIP PLAN****Schedule 2**

EIN 41-1787792

PLAN NUMBER 002

SCHEDULE H, LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS

December 31, 2014

(a) Identity of Party Involved	(b) Description of Assets/Transaction	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset	(i) Net Gain or (Loss)
*Sebesta, Inc.	Stock Redemption	<u>\$ -</u>	<u>\$290,515</u>	<u>\$465,022</u>	<u>\$290,515</u>	<u>(\$174,507)</u>

*Represents party-in-interest

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Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the Instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____ B This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months). C If the plan is a collectively-bargained plan, check here ▶ ☐ D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____	

Part II Basic Plan Information --- enter all requested information											
1a Name of plan Sebesta, Inc. Employee Stock Ownership Plan	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">002</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/2001</td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) 41-1787792</td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number (651) 634-0775</td> </tr> <tr> <td colspan="2">2d Business code (see instructions) 541330</td> </tr> </table>	1b Three-digit plan number (PN) ▶	002	1c Effective date of plan 01/01/2001		2b Employer Identification Number (EIN) 41-1787792		2c Plan Sponsor's telephone number (651) 634-0775		2d Business code (see instructions) 541330	
1b Three-digit plan number (PN) ▶	002										
1c Effective date of plan 01/01/2001											
2b Employer Identification Number (EIN) 41-1787792											
2c Plan Sponsor's telephone number (651) 634-0775											
2d Business code (see instructions) 541330											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) Sebesta, Inc. 1450 Energy Park Dr Suite 300 US St. Paul MN 55108											

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

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

SIGN HERE		10/14/15	Kate Marcotte
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/14/15	Todd D. Gilles
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		3c Administrator's telephone number
a Sponsor's name		4b EIN
5 Total number of participants at the beginning of the plan year		4c PN
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).		5 246
a(1) Total number of active participants at the beginning of the plan year		6a(1) 160
a(2) Total number of active participants at the end of the plan year		6a(2) 170
b Retired or separated participants receiving benefits		6b 59
c Other retired or separated participants entitled to future benefits		6c 58
d Subtotal. Add lines 6a(2), 6b, and 6c.		6d 287
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e 0
f Total. Add lines 6d and 6e		6f 287
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g 269
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 17
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2P 2Q 3I		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
Plan funding arrangement (check all that apply)		
9a	9b Plan benefit arrangement (check all that apply)	
(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules	b General Schedules	
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information - Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ A (Insurance Information)	
	(4) ☐ C (Service Provider Information)	
	(5) ☐ D (DFE/Participating Plan Information)	
	(6) ☐ G (Financial Transaction Schedules)	

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
DECEMBER 31, 2014
EIN: 41-1787792
PLAN NUMBER: 002

The required Schedule of Assets (Held at End of Year) is included in the Accountant's audit report attachment.

SEBESTA, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
DECEMBER 31, 2014
EIN: 41-1787792
PLAN NUMBER: 002

The required 5% Transaction Schedule – Schedule of Reportable Transactions is included in the Accountant's audit report attachment.