

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
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>09/01/2014</u> and ending <u>08/31/2015</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>STEVENS ENGINEERS & CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<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;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/01/2001</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>05/01/2001</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>05/01/2001</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>STEVENS ENGINEERS & CONSTRUCTORS, INC.</u> <u>7850 FREEWAY CIRCLE, SUITE 100</u> <u>MIDDLEBURG HEIGHTS, OH 44130-6307</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>34-1048714</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>440-234-7888</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>237990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>34-1048714</u>	2c Plan Sponsor's telephone number <u>440-234-7888</u>	2d Business code (see instructions) <u>237990</u>	
2b Employer Identification Number (EIN) <u>34-1048714</u>					
2c Plan Sponsor's telephone number <u>440-234-7888</u>					
2d Business code (see instructions) <u>237990</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	Filed with authorized/valid electronic signature.	06/10/2016	VICKI ANDERSON
	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
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	5 175
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) 119
a(2) Total number of active participants at the end of the plan year	6a(2) 94
b Retired or separated participants receiving benefits	6b 17
c Other retired or separated participants entitled to future benefits.....	6c 46
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 157
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 1
f Total. Add lines 6d and 6e	6f 158
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 158
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 7
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2I 2P 3H	
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) ☐ <u>0</u> 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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>09/01/2014</u> and ending <u>08/31/2015</u>		
A Name of plan <u>STEVENS ENGINEERS & CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>		B Three-digit plan number (PN) ► <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STEVENS ENGINEERS & CONSTRUCTORS, INC.</u>		D Employer Identification Number (EIN) <u>34-1048714</u>

Part I	Asset and Liability Statement	
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.		
	Assets	(a) Beginning of Year (b) End of Year
a Total noninterest-bearing cash	1a	5965 25257
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1)	
(2) Participant contributions.....	1b(2)	
(3) Other.....	1b(3)	0 210143
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	
(2) U.S. Government securities	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common.....	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property).....	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans.....	1c(8)	
(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)	
(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)	8869317	7015530
(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	8875282	7250930

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	1072290	1072290
j Other liabilities	1j	12676	330635
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1084966	1402925

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7790316	5848005
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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)	42892	
(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)		42892
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)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	9894	
(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)		9894
(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)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-1469462	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-1469462

		(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		-1416676

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	480043	
(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)		480043
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		42892
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	2700	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2700
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		525635

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-1942311
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: COHEN & COMPANY, LTD.

(2) EIN: 34-1912961

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.	
For calendar plan year 2014 or fiscal plan year beginning 09/01/2014 and ending 08/31/2015					
A Name of plan STEVENS ENGINEERS & CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN				B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 STEVENS ENGINEERS & CONSTRUCTORS, INC.				D Employer Identification Number (EIN) 34-1048714	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 34-1048714					
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)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☒ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☒ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☒ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2014 v. 140124					

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: 0.0% 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): _____

STEVENS ENGINEERS EMPLOYEE
STOCK OWNERSHIP PLAN
INDEPENDENT AUDITORS' REPORT
AUGUST 31, 2015 AND 2014



STEVENS ENGINEERS EMPLOYEE
STOCK OWNERSHIP PLAN

AUGUST 31, 2015 AND 2014

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PLAN PARTICIPANTS, BOARD OF TRUSTEES
AND ADMINISTRATIVE COMMITTEE
STEVENS ENGINEERS EMPLOYEE STOCK
OWNERSHIP PLAN

Independent Auditors' Report

We have audited the accompanying financial statements of the Stevens Engineers Employee Stock Ownership Plan (the Plan), which comprise the statement of net assets available for benefits as of August 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended August 31, 2015, 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 audit 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 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 the Plan as of August 31, 2015 and 2014, and the changes in its net assets available for benefits for the year ended August 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our 2015 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year as of August 31, 2015, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security 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.

Cohen & Company Ltd.

June 9, 2016
Cleveland, Ohio

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AUGUST 31, 2015 AND 2014

	2015			2014		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments in sponsor company common stock at fair value	\$ 6,579,763	\$ 435,767	\$ 7,015,530	\$ 8,322,881	\$ 546,436	\$ 8,869,317
Cash	25,257		25,257	5,965		5,965
Employer receivable	<u>210,143</u>		<u>210,143</u>			
	<u>6,815,163</u>	<u>435,767</u>	<u>7,250,930</u>	<u>8,328,846</u>	<u>546,436</u>	<u>8,875,282</u>
LIABILITIES						
Note payable		1,072,290	1,072,290		1,072,290	1,072,290
Due for correction of distributions	320,052		320,052	12,676		12,676
Taxes payable	8,333		8,333			
Administrative fees payable	<u>2,250</u>		<u>2,250</u>			
	<u>330,635</u>	<u>1,072,290</u>	<u>1,402,925</u>	<u>12,676</u>	<u>1,072,290</u>	<u>1,084,966</u>
NET ASSETS AVAILABLE FOR BENEFITS - AT FAIR VALUE	<u>\$ 6,484,528</u>	<u>\$ (636,523)</u>	<u>\$ 5,848,005</u>	<u>\$ 8,316,170</u>	<u>\$ (525,854)</u>	<u>\$ 7,790,316</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED AUGUST 31, 2015

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS TO NET ASSETS			
ATTRIBUTABLE TO:			
Employer contributions		\$ 42,892	\$ 42,892
Dividends and interest	\$ 9,284	610	9,894
Allocation of 108 shares of Company stock, at fair value	<u>15,984</u>		<u>15,984</u>
Total additions	<u>25,268</u>	<u>43,502</u>	<u>68,770</u>
DEDUCTIONS FROM NET ASSETS			
ATTRIBUTABLE TO:			
Net depreciation in fair value of investments	1,374,167	95,295	1,469,462
Benefits paid to participants	125,924		125,924
Corrective distributions	354,119		354,119
Interest expense		42,892	42,892
Administrative fees	2,700		2,700
Allocation of 108 shares of Company stock, at fair value	<u>15,984</u>	<u>15,984</u>	<u>15,984</u>
Total deductions	<u>1,856,910</u>	<u>154,171</u>	<u>2,011,081</u>
NET DECREASE FOR THE YEAR	<u>(1,831,642)</u>	<u>(110,669)</u>	<u>(1,942,311)</u>
NET ASSETS AVAILABLE FOR BENEFITS:			
BEGINNING OF YEAR	<u>8,316,170</u>	<u>(525,854)</u>	<u>7,790,316</u>
END OF YEAR	<u>\$ 6,484,528</u>	<u>\$ (636,523)</u>	<u>\$ 5,848,005</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the Stevens Engineers Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Stevens Engineers and Constructors, Inc. and Subsidiaries (the Company) established the Plan effective as of May 1, 2001. The Plan was adopted so that all members of the Stevens Engineers and Constructors, Inc. controlled group of corporations could participate in the Plan, if the members of the controlled group met the eligibility provisions of the Plan. The Plan operates 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 (Code), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan purchased Stevens Engineers and Constructors, Inc. common stock (Company Stock) from the Company and from individuals using the proceeds of borrowings and holds the stock in a trust established under the Plan. The borrowings, of which one note remains outstanding (Note 6), are to be repaid by fully deductible Company contributions to the Plan. As the Plan makes each payment of principal and interest, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The note payable is collateralized by the unallocated shares of Company Stock and is guaranteed by the Company. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid. The lender has no rights against the shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a) the accounts of participants with vested rights in allocated Company Stock (Allocated), and
- b) Company Stock not yet allocated to eligible participants (Unallocated).

Eligibility

The Plan covers substantially all employees of the Company who are at least age 21 and have attained one year of service, as defined. Employees will remain active participants in any subsequent Plan year in which the employee has worked at least 1,000 hours of service, as defined by the Plan. Certain employees of the Company who are hired as project personnel waive participation in the Plan.

Contributions

The Plan is funded solely by the Company's discretionary contributions to the Plan as determined by the Company's Board of Directors. Contributions authorized by the Board of Directors for the year ended August 31, 2015, were \$42,892. All Company contributions were subject to the limitations imposed under Code Section 404(a)(3)(A).

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN (Continued)

Contributions (continued)

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its note payable. Employee contributions are not permitted.

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 Stock into investments which are more diversified. Participants who are at least age 55 with at least ten 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% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. The election to diversify is made subsequent to year-end based upon the shares of Company Stock in the participant's account at year-end.

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 the Company Stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Allocations are given only to eligible participants employed at the end of the Plan year. Allocations are based on participants' eligible compensation, as defined, and subject to applicable limitations for the Plan year. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account, as defined. 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, disability, or death, he or she will vest based on years of continuous service with the participant being fully vested after six years of credited service. A participant will be fully vested in their full account balance if employment ends due to retirement, disability, or death.

Forfeitures

Non-vested shares of terminated participants are redistributed to eligible participant accounts based on the ratio that each eligible participant's compensation bears to the total compensation paid to all eligible participants for the Plan year.

During the year ended August 31, 2015, no amounts were forfeited into the suspense account or redistributed to the eligible participant accounts. There was no balance in the unallocated forfeiture account at August 31, 2015.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits

Upon termination of service for reason of death, disability, retirement or any other reason, the participant will receive his or her vested account balance as a lump-sum distribution or in annual installments. The method of distribution is cash and is determined by the value of the participant's account. If the participant's account balance is less than \$5,000, the Plan makes an automatic lump-sum distribution to the participant equal to the participant's vested interest in his or her account. If the participant's account balance was between \$5,000 and \$20,000 the distribution is paid in equal annual installments ranging from two to four years on a graded schedule. Balances between \$20,000 and \$1,050,000 are paid in equal annual installments over a period of five years. For participant balances in excess of \$1,050,000, distributions are paid over five years plus an additional year for each \$210,000 not to exceed five additional years. Effective April 30, 2014, the Administrative Committee of the Plan exercised a provision in the Plan document to delay distributions to participants who were terminated for reasons other than death, disability or retirement for up to a maximum total of five Plan years.

Put Option

Under federal income tax regulations, Company Stock that is 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 current appraised value of the Company Stock. The put option permits the participant to sell Company Stock to the Company at any time during two option periods at the then fair market value as of the last valuation date, as specified in the Plan document. The Company can pay for the purchase in lump-sum or with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Voting Rights

The Trustee votes on behalf of the Plan and is required to vote on behalf of the collective best interest of Plan participants and beneficiaries. Plan participants may vote directly on issues related to the sale or liquidation of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Accounting Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Accounting Estimates (continued)

The current method of valuation of investments considers certain assumptions including the Company's current and historical operating performance. These factors are subject to change over time and are reviewed periodically. Further, because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Administrative Expenses

Certain administrative functions are performed by officers or employees of the Company for which they receive no direct compensation from the Plan. Administrative expenses of the Plan are comprised of annual administration fees which are paid directly by the Company. Fees related to the administration of distributions to participants are charged directly to the participant's account and are included in administrative fees.

Income Taxes

The Plan recognizes and discloses uncertain tax positions in accordance with GAAP. As of August 31, 2015 and 2014, and for the year ended August 31, 2015, the Plan did not have a liability for unrecognized tax benefits.

Investment Valuation and Income Recognition

The shares of Company Stock are valued at estimated fair value. See Note 5 for discussion of fair value measurement.

Dividend income is recorded on the ex-dividend date.

Purchases and sales of securities are recorded on a trade date basis. Realized gains and losses from security transactions are reported on the average cost method. Net depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Subsequent Events

Management has evaluated subsequent events through June 9, 2016, the date the financial statements were available to be issued.

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS

At August 31, 2015 and 2014, the investments in Company Stock are as follows:

	<u>August 31, 2015</u>	
	<u>Allocated</u>	<u>Unallocated</u>
Stevens Engineers and Constructors, Inc., common stock, 44,457 and 2,945 shares, respectively, at estimated fair value	<u>\$ 6,579,763</u>	<u>\$ 435,767</u>
	<u>August 31, 2014</u>	
	<u>Allocated</u>	<u>Unallocated</u>
Stevens Engineers and Constructors, Inc., common stock, 46,496 and 3,053 shares, respectively, at estimated fair value	<u>\$ 8,322,881</u>	<u>\$ 546,436</u>

The fair value of the Company Stock is determined annually as of April 30 by an independent third-party appraiser. The stock held as a Plan asset is valued using the most recent valuation approved by the Company's Board of Director's prior to the issuance of the audit report.

All accounts were non-participant directed.

4. ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company Stock, are held by the Trustee, a designated individual at the Plan sponsor.

Company contributions are held and managed by the Trustee, who invests cash received, interest, and dividend income.

5. 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 are described as follows:

- Level 1 Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access
- Level 2 Other significant observable inputs including: 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; or inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3 Inputs are significant and unobservable (including the Plan's own assumptions used to determine value)

NOTES TO THE FINANCIAL STATEMENTS

5. FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the valuation methodology used at August 31, 2015 and 2014.

Sponsor company common stock: Valued at fair value based upon an annual independent appraisal. This appraisal was based on a combination of the market and income valuation methods consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and estimated fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the Board of Trustees, review 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.

Assets measured at fair value by level, within the fair value hierarchy, are comprised of the following at August 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Sponsor company common stock	\$ -	\$ -	\$ 7,015,530

Assets measured at fair value by level, within the fair value hierarchy, are comprised of the following at August 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Sponsor company common stock	\$ -	\$ -	\$ 8,869,317

Following is a reconciliation of activity for the year ended August 31, 2015, of assets measured at fair value based on significant unobservable (non-market) inputs (Level 3):

Balance - Beginning of year	\$ 8,869,317
Unrealized losses	(1,469,462)
Benefits paid or due to participants for corrections (shares redeemed by the Company)	(384,325)
Balance - End of year	<u>\$ 7,015,530</u>

NOTES TO THE FINANCIAL STATEMENTS

6. NOTE PAYABLE

The Plan has a term loan agreement with a former officer of the Company bearing interest at 4%. The note was amended August 25, 2013, to require monthly interest only payments from September 2013 through August 2015, and then monthly principal and interest payments of \$101,249 through maturity in July 2016. Effective August 1, 2015, the note was amended extending the maturity date and extending monthly payments of interest only through August 1, 2017. Effective December 1, 2015, the note was amended again, modifying the maturity date to December 1, 2016, and requiring interest only payments through September 1, 2015, and then monthly payments of variable principal and interest through maturity. The proceeds from the note payable were used to purchase Company Stock in 2007. The outstanding balance of the loan amounted to \$1,072,290 at August 31, 2015 and 2014, and interest expense of \$42,892 was incurred during 2015. The unallocated outstanding Company Stock owned by the Plan is collateral for the loan.

The maturities of the note payable are as follows:

Year ending August 31,	
2016	\$ 837,825
2017	<u>234,465</u>
	<u>\$ 1,072,290</u>

In accordance with the Plan document and loan agreements, contributions made, as well as dividends paid on unallocated shares, are to be used to pay down debt.

The investment in unallocated common stock of Stevens Engineers and Constructors, Inc. is restricted to the extent that it is security for the note payable. Shares of the unallocated Company Stock become available for allocation to participants based on a ratio of principal and interest paid in the Plan year to the total principal and interest to be paid on the note in future years.

7. DUE FOR CORRECTION OF DISTRIBUTIONS

During prior years, the Plan identified operational errors which resulted in the correction of prior year distributions that were paid to Plan participants. The corrections are being performed through a self-correction process and were substantially completed by December 2015. Total corrective distributions amounted to approximately \$813,000, of which approximately \$521,000 were paid to former participants directly by the Company in December 2015 as these former participants had no remaining accounts in the Plan. The remaining corrections of approximately \$292,000 were made by the Plan, of which approximately \$34,000 was paid during the year ended August 31, 2015. During the year ended August 31, 2015, the Company repurchased shares from the Plan for approximately \$163,000 to provide for corrective distributions in process, resulting in a receivable of \$148,000 at August 31, 2015. In October and December 2015, the Company repurchased shares for approximately \$95,000 for the remaining corrective distributions.

NOTES TO THE FINANCIAL STATEMENTS

7. DUE FOR CORRECTION OF DISTRIBUTIONS (Continued)

At August 31, 2015, the Plan also had installment distributions outstanding that should have been paid prior to August 31, 2015. These installment distribution corrections were completed by December 2015 through a self-correction process. During the year ended August 31, 2015, the Company repurchased shares from the Plan for approximately \$62,000 for these corrections, resulting in a receivable of approximately \$62,000 at August 31, 2015.

Amounts receivable from the Company were received subsequent to year end.

8. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated September 25, 2015, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code.

During 2015, the Plan was under audit by the Internal Revenue Service (IRS), which resulted in proposed findings of certain IRC violations. These findings are not expected to have a material impact on the Plan's net assets available for benefits, and the Company does not expect them to affect the Plan's tax status.

9. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their contributions. Upon such termination of the Plan, each participant's account will be distributed at such time as described in the Plan. Also, upon termination, all liabilities and expenses of the Plan will be paid and all shares of financed stock held by the Plan will be sold back to the Company, to the extent deemed necessary in order to repay outstanding notes.

10. PARTY-IN-INTEREST TRANSACTIONS

The Plan investments are shares of Stevens Engineers and Constructors, Inc. common stock, which is the Plan sponsor. The Plan also has indebtedness guaranteed by the Company.

Additionally, the Plan is allowed to sell shares of unallocated Company Stock from the Plan to certain employees of the Company who are not participants in the Plan, who are considered as parties-in-interest. The sales are done at the fair value of the Company Stock as of the transaction date. No shares of Company Stock were sold during 2015.

NOTES TO THE FINANCIAL STATEMENTS

11. RISKS AND UNCERTAINTIES

The Plan invests exclusively in Company 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 the Company Stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the Company Stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

STEVENS ENGINEERS EMPLOYEE
STOCK OWNERSHIP PLAN

FORM 5500

EIN: 34-1048714

PLAN NUMBER: 003

PLAN SPONSOR: STEVENS ENGINEERS AND CONSTRUCTORS, INC.

SCHEDULE H, PART IV, LINE 4(i)-

SCHEDULE OF ASSETS HELD AT END OF YEAR

AUGUST 31, 2015

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Current Value
	Stevens Engineers and Constructors, * Inc. Common Stock	47,402 Shares of Common Stock	\$ 8,816,772	<u>\$ 7,015,530</u>
				<u>\$ 7,015,530</u>

* A party-in-interest as defined by ERISA.