# 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

**2015**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**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
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
KENNEDY/JENKS CONSULTANTS, INC. PROFIT SHARING RETIREMENT PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 12/31/1970

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
KENNEDY/JENKS CONSULTANTS, INC.

303 SECOND STREET, SUITE 300 SOUTH
SAN FRANCISCO, CA 94107

**2b** Employer Identification Number (EIN)
94-2147007

**2c** Plan Sponsor's telephone number
415-243-2150

**2d** Business code (see instructions)
541330

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/11/2016 | KIMBERLY R. CARAKER |
| | **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)

Preparer's telephone number

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] 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: | **4b** | EIN |
| **a** | Sponsor's name | **4c** | PN |

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 608 |
| **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)** | 422 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 426 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 170 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 596 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 2 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 598 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 567 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 27 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | [X] | | **H** (Financial Information) |
| **(2)** | [ ] | | **I** (Financial Information – Small Plan) |
| **(3)** | [ ] | 0 | **A** (Insurance Information) |
| **(4)** | [X] | | **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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2015**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
KENNEDY/JENKS CONSULTANTS, INC. PROFIT SHARING RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KENNEDY/JENKS CONSULTANTS, INC.

**D** Employer Identification Number (EIN)
94-2147007

## Part I Service Provider Information (see instructions)

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

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

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

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

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

CHARLES SCHWAB & CO INC AND AFFIL

94-1737782

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

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

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

SCHWAB RETIREMENT PLAN SERVICES INC

34-1479833

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 50 64 | NONE | 44970 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

SILICON VALLEY RETIREMENT SERVICES

27-2233898

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 28 50 | NONE | 18450 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

CHARLES SCHWAB & CO., INC.

94-1737782

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 59 | NONE | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| CHARLES SCHWAB & CO AND AFFILIATES | 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| SEE ATTACHMENT<br><br>11-1111111 | SEE ATTACHMENT |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

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

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

OMB No. 1210-0110

**2015**

**This Form is Open to Public Inspection**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
KENNEDY/JENKS CONSULTANTS, INC. PROFIT SHARING RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KENNEDY/JENKS CONSULTANTS, INC.

**D** Employer Identification Number (EIN)
94-2147007

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 200000 |
| **(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) | 4987131 | 4727248 |
| **(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) | 532815 | 625448 |
| **(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) | 73993411 | 68931090 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 5376379 | 4610628 |
| | **(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 | 84889736 | 79094414 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 84889736 | 79094414 |

## 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) | 200000 | |
| | **(B)** Participants | 2a(1)(B) | 3589603 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 401286 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 4190889 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 731 | |
| | **(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) | 23292 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 24023 |
| | **(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) | 3055581 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 3055581 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 6450340 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 6146136 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 304204 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | -303076 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | -303076 |

| | | (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) | | -3006106 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 4265515 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 9992454 | |
| (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) | | 9992454 |
| f Corrective distributions (see instructions) | 2f | | 5013 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 18450 | |
| (4) Other | 2i(4) | 44920 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 63370 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 10060837 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -5795322 |
| 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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

**(1)** Name: HOOD & STRONG LLP **(2)** EIN: 94-1254756

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

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

## Part IV Compliance Questions

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

During the plan year:

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

| | | Yes | No | N/A | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | | |
| o | Did the plan trust incur unrelated business taxable income? | 4o | | | | |
| p | Were in-service distributions made during the plan year? | 4p | | | | |

**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

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

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# 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

**2015**

**This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

**A** Name of plan
KENNEDY/JENKS CONSULTANTS, INC. PROFIT SHARING RETIREMENT PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
KENNEDY/JENKS CONSULTANTS, INC.

**D** Employer Identification Number (EIN)
94-2147007

## Part I Distributions

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

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

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

EIN(s): 42-1558009

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part VII IRS Compliance Questions

| | | |
|---|---|---|
| **20a** Is the plan a 401(k) plan? | ☐ Yes | ☐ No |
| **20b** If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? | ☐ Design-based safe harbor method | ☐ ADP/ACP test |
| **20c** If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))? | ☐ Yes | ☐ No |
| **21a** Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): | ☐ Ratio percentage test | ☐ Average benefit test |
| **21b** Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? | ☐ Yes | ☐ No |
| **22a** Has the plan been timely amended for all required tax law changes? | ☐ Yes | ☐ No ☐ N/A |

**22b** Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

**22c** If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

**22d** If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

| | | |
|---|---|---|
| **23** Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? | ☐ Yes | ☐ No |

# KENNEDY/JENKS CONSULTANTS, INC.
# PROFIT SHARING RETIREMENT PLAN

DECEMBER 31, 2015 AND 2014

PLAN SPONSOR: KENNEDY/JENKS CONSULTANTS, INC.
PLAN SPONSOR EIN: 94-2147007
PLAN NUMBER: 001

INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTAL SCHEDULE

# Kennedy/Jenks Consultants, Inc. Profit Sharing Retirement Plan

**Independent Auditors' Report,**
**Financial Statements**
**and Supplemental Schedule**


**Independent Auditors' Report** 1 - 2

**Financial Statements**

Statements of Net Assets Available for Plan Benefits 3

Statement of Changes in Net Assets Available for Plan Benefits 4

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**Supplemental Schedule**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) 21

HOOD & STRONG LLP
A CENTURY STRONG • 1917-2017
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

THE PLAN ADMINISTRATIVE COMMITTEE
KENNEDY/JENKS CONSULTANTS, INC.
PROFIT SHARING RETIREMENT PLAN
San Francisco, California

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of **KENNEDY/JENKS CONSULTANTS, INC. PROFIT SHARING RETIREMENT PLAN (the Plan)**, which comprise the statement of net assets available for plan benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for plan benefits for the year ended December 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.

### Auditors' Responsibility

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

### Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Charles Schwab Bank, the Trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the Trustee as of December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

**Disclaimer of Opinion**

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

**Emphasis of Matters**

As discussed in Note 1(a) to the financial statements, on March 16, 2015 the Board of Directors of Kennedy/Jenks Consultants, Inc., the Plan's sponsor, approved the discontinuance of discretionary contributions made in the form of Kennedy/Jenks Stock (or cash amounts which are intended to be invested in Kennedy/Jenks Stock) for Plan years beginning January 1, 2015, and to fully vest the accounts of affected participants as of January 1, 2015. Our opinion is not modified with respect to this matter.

As discussed in Note 2(f) to the financial statements, the Plan adopted new accounting guidance related to disclosure of investments. Prior year disclosures have been revised to reflect the retrospective application of adopting these changes in accounting.

Our disclaimer of opinion is not modified with respect to these matters.

**Other Matter**

The supplemental schedule, Schedule of Assets (Held at End of Year), as of December 31, 2015, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. This supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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



San Francisco, California
October 7, 2016

# Kennedy/Jenks Consultants, Inc. Profit Sharing Retirement Plan

## Statement of Net Assets Available for Plan Benefits

| *December 31,* | 2015 | 2014 |
|---|---|---|
| **Assets:** | | |
| **Investments, at fair value:** | | |
| Non-participant directed: | | |
| Kennedy/Jenks Consultants, Inc. Common Stock | $ 4,610,628 | $ 5,376,379 |
| Participant directed: | | |
| Mutual funds | 73,658,338 | 78,980,542 |
| Total investments | 78,268,966 | 84,356,921 |
| **Notes Receivable from Participants** | 625,449 | 532,815 |
| **Employer Contribution Receivable** | 200,000 | |
| Total Assets | 79,094,415 | 84,889,736 |
| **Net Assets Available for Plan Benefits** | $ 79,094,415 | $ 84,889,736 |
| **Net Assets Available for Plan Benefits:** | | |
| Participants' accounts: | | |
| Profit sharing | $ 74,483,787 | $ 79,513,357 |
| Employee stock ownership | 4,610,628 | 5,376,379 |
| | $ 79,094,415 | $ 84,889,736 |

See accompanying notes to financial statements.

# Kennedy/Jenks Consultants, Inc. Profit Sharing Retirement Plan

## Statement of Changes in Net Assets Available for Plan Benefits

*Year Ended December 31, 2015*

| | Participant Directed | Non-Participant Directed | |
|---|---|---|---|
| | Profit Sharing Plan | Employee Stock Ownership Plan | Total |
| **Additions:** | | | |
| From investments: | | | |
| Interest and dividends | $ 3,065,779 | | $ 3,065,779 |
| Net (depreciation) appreciation in fair value of investments | (3,015,572) | $ 1,128 | (3,014,444) |
| | 50,207 | 1,128 | 51,335 |
| Interest income on notes receivable from participants | 23,292 | | 23,292 |
| From contributions: | | | |
| Kennedy/Jenks Consultants, Inc. | 200,000 | | 200,000 |
| Employees | 3,589,603 | | 3,589,603 |
| Employee rollovers | 401,286 | | 401,286 |
| | 4,190,889 | - | 4,190,889 |
| Total additions | 4,264,388 | 1,128 | 4,265,516 |
| **Deductions:** | | | |
| Benefits paid to participants | (9,230,588) | (766,879) | (9,997,467) |
| Administrative expenses | (63,370) | | (63,370) |
| Total deductions | (9,293,958) | (766,879) | (10,060,837) |
| **Net Decrease** | (5,029,570) | (765,751) | (5,795,321) |
| **Net Assets Available for Plan Benefits** - beginning of year | 79,513,357 | 5,376,379 | 84,889,736 |
| **Net Assets Available for Plan Benefits** - end of year | $ 74,483,787 | $ 4,610,628 | $ 79,094,415 |

See accompanying notes to financial statements.

# Kennedy/Jenks Consultants, Inc. Profit Sharing Retirement Plan

**Notes to Financial Statements**

**Note 1 - Plan Description:**

The following brief description of the Kennedy/Jenks Consultants, Inc. Profit Sharing Retirement Plan (the Plan) is provided for general information purposes only. Plan participants should refer to the Plan and the Trust Agreement for a complete description of the Plan's provisions.

a. General

The Plan, as established on January 1, 1970, is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended. The Plan includes a salary deferral arrangement, and an Employee Stock Ownership Plan (ESOP) as described in Sections 401(k) and 4975(e)(7) of the Internal Revenue Code of 1986. The Plan is administered by the Plan Administrative Committee consisting of five employee members appointed by the Board of Directors of Kennedy/Jenks Consultants, Inc. (the Company). The Kennedy/Jenks Consultants, Inc. Profit Sharing Trust (the Trust) holds the assets of the Company common stock. The Plan was amended and restated effective January 1, 2007, the more significant change includes an automatic enrollment of an employee in the 401(k) plan once the employee is eligible, effective January 1, 2008, unless the employee makes an affirmative election not to participate or makes an election to defer less than 4% of the compensation. In addition, if the employee remains in the automatic enrollment program, each year in January the automatic 401(k) contribution will increase by 1% up to a total of 8% of the employee compensation. The Plan offers a range of investment options. Unless it is directed by employee, the account will be invested in a Vanguard Target Retirement Fund based upon the employee's age and years to retirement.

The Plan was amended April 4, 2011 to bring the Plan into compliance with the requirements of Internal Revenue Code Section 415, the Worker, Retiree and Employer Recovery Act of 2008, and the Heroes Earnings Assistance and Relief Tax Act of 2008 effective January 1, 2008. The significant provisions included restating the definition of compensation, detailing the diversification of accounts of former employees invested in company stock, and allowing for qualified military service withdrawals. Refer to the plan amendment for a full description of the provisions.

A second amendment to the Plan effective December 1, 2011 allows participants to withdraw a portion of his or her account through in service distributions. Once a participant has reached age 59½ and is an employee on a part time or reduced schedule status, a participant is eligible once during each plan year to make a withdrawal from their investment savings, special company account, and salary deferral account. Once a participant has received complete distribution of their interest in these accounts and is either credited with at least five years of service or has attained age 65, the participant is eligible once during each plan year to make a withdrawal from their company and cash accounts.

The minimum withdrawal amount must be $5,000 or 25% of the aggregate balances of the participant's eligible accounts, whichever is less, and not more than 100% of the balances of the participant's accounts. Refer to the plan amendment for a full description of the in service withdrawals.

The Plan was amended and restated effective January 1, 2012 and amended November 14, 2014 to incorporate the amendments since the last restatement and include changes required by the Plan's August 25, 2014 determination letter. Refer to the plan document for a full description of the Plan.

On March 16, 2015, the Board of Directors of Kennedy/Jenks Consultants, Inc. approved the discontinuance of discretionary contributions made in the form of Kennedy/Jenks Stock (or cash amounts which are intended to be invested in Kennedy/Jenks Stock) for Plan years beginning January 1, 2015, and to fully vest the cash or stock accounts of affected participants as of January 1, 2015. The Plan was amended on April 15, 2015 accordingly.

b. Eligibility

An employee is eligible to participate in the 401(k) Salary Deferral feature of the Plan upon commencement of employment, provided the employee is not covered by a collective bargaining agreement or any other plan to which the Company contributes.

An employee is eligible to share in the allocation of Company contributions for each plan year in which the employee has completed 1,000 hours of service. Upon retirement, death or disability, an employee is eligible to share in the allocation of Company contributions regardless of the hours of service requirement.

c. Contributions

Participants may contribute to the 401(k) Salary Deferral feature of the Plan, up to the Internal Revenue Service maximum, and direct their contributions according to their investment elections. Certain employees may be further limited in the amount of allowable contributions to comply with nondiscrimination test requirements. Participants may also contribute (rollover) amounts representing lump sum distributions from other qualified plans.

The Company, at the discretion of its Board of Directors, determines the amount of its annual contribution to the Plan provided that contributions are made to the extent necessary to make Plan loan payments or stock repurchases in the ESOP. As noted in Note 1(a) above, effective as of January 1, 2015, no further Company contributions will be made to the ESOP. All future discretionary contributions will be invested according to participant's investment elections. Company contributions are allocated at year-end to eligible participants in proportion to their compensation.

There were no outstanding Plan acquisition loans or stock repurchase at December 31, 2015 or 2014.

Amounts that are not specifically designated to the ESOP by the Company will be invested according to participant's investment elections. Contributions to the ESOP may not be transferred to other investment funds as part of the participant's election. However, a diversification process is available on ESOP balances when a participant has attained age 55 and completed 10 years of service.

d. Payment of Benefits

Upon termination, the participants or their beneficiaries may elect to leave their account balances in the Plan or receive their total benefits either in a lump-sum distribution, in installments over a period generally not exceeding five years, or any combination of the foregoing.

Eligible rollover distributions exceeding $1,000, but less than $5,000 are directly rolled over into a traditional individual retirement account (IRA) or, if specified by the participant, as a direct payment to him/her in a single lump sum payment. Eligible rollover distributions less than $1,000 are paid directly to the participant in a single lump sum.

The Plan allows for in-service distributions once a participant has reached age 59½. The minimum partial distribution amount is $5,000 or 25% of the aggregate balances of the participant's eligible accounts, whichever is less, and not more than 100% of the balances of the participant's eligible accounts.

There were no participant requests to withdraw from the Plan at December 31, 2015 and 2014 that have not been paid as of that date.

e. Participant Accounts

A separate account is maintained for each plan participant's 401(k) contributions and for his/her share of the Company contributions. The account balance may include any of the following:

- A pro-rata share of the Company contributions and forfeitures
- A pro-rata share of investment income or losses
- Employee contributions
- Distributions
- Funds transfers
- Employee rollovers

f. Participant Investment Options

Upon enrollment in the Plan, a participant must direct employee and the Company profit sharing discretionary contributions to any of the available investment options. Participants may change their investment options any time throughout the year.

g. Vesting

Participants' 401(k) contributions are 100 percent vested at all times. Company contributions vest over five years provided the employee meets the minimum 1,000 hours of service requirement per plan year. The participants' vested interest begins at the rate of 20% per year after completion of one year of service and becomes fully vested after five years of service. Upon death, disability, attainment of age 55 and 15 years of service or attainment of age 65, the plan participant's account becomes 100 percent vested. As noted in Note 1(a) above, the discontinuance of discretionary contributions made in the form of Kennedy/Jenks Stock resulted in affected participants being fully vested in such amounts on January 1, 2015.

h. Forfeited Accounts

The nonvested portion of the Company contributions will be forfeited as of the plan year in which the participant receives a complete distribution of his/her vested benefit from the Plan or upon the occurrence of a five-consecutive-year break in service. Forfeitures will be allocated to the remaining eligible participants' accounts as of the plan year in which the forfeiture occurs. As of December 31, 2015 and 2014, forfeitures amounted to $11,335 and $56,748, respectively.

i. Notes Receivable from Participants

Participants may borrow up to the lesser of one-half of their vested benefit that is not invested in the Company's common stock or $50,000. The loan is to be collateralized by the remaining account balance. Repayment terms cannot exceed five years. Interest rates are prescribed by the Administrative Committee at the date the loan is made and shall be consistent with interest rates then charged by commercial lenders for loans made under similar circumstances. A participant may only have one loan outstanding at a time. Loans currently outstanding bear interest at 4.25 to 4.50 percent.

j. Plan Trustee

The Company appointed Charles Schwab Bank (the Trustee) as the trustee of the Plan. Substantially all of the Plan's assets are held by the Trustee with the exception of the Company's common stock.

Effective January 1, 2014, the Administrative Committee of the Kennedy/Jenks Consultants, Inc., Profit Sharing Retirement Plan was appointed as the Trustee of the Employee Stock Trust and Charles Schwab Bank as Custodian of the Plan.

k. Voting Rights

With respect to any corporate matter which involves the voting on a merger, consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of the business or a similar transaction, each participant is entitled to direct the Plan Administrative Committee as to the voting of shares allocated to their account. The Plan Administrative Committee is permitted to vote on behalf of any shares for which instructions have not been given by a participant in the best interest of plan participants and beneficiaries.

l. Right of Refusal

The employer common stock that is held by the Plan and its participants is not readily tradable on an established market and is subject to trading limitations. Any shares of common stock distributed by the Trust are subject to a "right of refusal"; shares must be first offered to the Company for purchase, and then the Trust at fair market value. As shares are purchased by the Plan, the put option permits the participant to sell the common stock to the Company at any time during the option periods. The first put option period is for sixty days beginning on the date of distribution. The second put option period is for sixty days beginning after the new determination of fair market value in the following plan year.

m. 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 an eight-year period. Participants who elect to diversify will have the value of their diversified shares invested in accordance with their elected investment options.

**Note 2 - Summary of Significant Accounting Policies:**

a. Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

b. Investment Valuation and Income Recognition

Investments of the Plan are held by the Trustee and invested based solely upon instructions received from participants except the ESOP investment in the common stock of the Company which is non-participant directed and held by the Plan Administrative Committee. The Plan's investments in registered investment companies are valued at fair value as of the last day of the Plan year. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and Trustee. See Note 4 for discussion of fair value measurements.

The common stock of the Company is not publicly traded. The estimated fair value of the Company's common stock is based on independent valuations conducted by an outside independent appraisal firm as of December 31, 2015 and 2014 and reviewed and accepted in good faith by the Plan Administrative Committee and the Company's Board of Directors.

Purchases and sales of mutual funds are recorded on a settlement-date basis. Interest income is recorded on an accrued basis. Dividend income is accrued on the ex-dividend date.

The net appreciation (depreciation) in fair value of investments in the statement of changes in net assets available for plan benefits includes both the unrealized appreciation (depreciation) in the aggregate current value of the investments and realized gain (loss) on sale of those investments.

The market volatility of equity-based investments could substantially impact the value of such investments at any given time.

It is likely that the value of the Plan's investments, both in total and in individual participant accounts, has fluctuated since December 31, 2015.

Management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of net appreciation (depreciation) in fair value of investments.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in net assets during the reporting period. Actual results may differ from those estimates.

d. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal. Any accrued but unpaid interest is recorded as interest receivable on notes receivable from participants. No allowance for credit losses has been recorded as of December 31, 2015 and 2014. Delinquent loans are treated as distributions based upon the terms of the plan document.

e. Benefits to Participants

Benefits to participants are recorded when paid.

f. Recent Accounting Pronouncements

*Adopted*

In May 2015, the Financial Accounting Standards Board (FASB) issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of net assets available for plan benefits. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2015. For all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. The Plan adopted this update for the 2015 Plan year. The impact of adopting this update was not significant to these financial statements.

In July 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force)*. The purpose of this update is to simplify plan accounting.

The amendments in Part I of this update designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit-responsive investment contracts will be presented at contract value; accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements.

The amendments in Part II of this update will eliminate the requirements for plans to disclose (1) individual investments that represent 5 percent or more of net assets available for Plan benefits and (2) the net appreciation or depreciation for investments by general type for both participant-directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, *Annual Return/Report of Employee Benefit Plan,* as a direct filing entity, disclosure of that investment's strategy will no longer be required.

The amendments in Part III of this update reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment-related accounts as of a month-end date that is closest to the Plan's fiscal year-end, when the fiscal period does not coincide with month-end.

The update may be adopted in whole or by part (I, II, and III), as applicable. The amendments in this update are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. Upon adoption, the amendments in Parts I and II shall be applied retrospectively to all periods presented; the amendments in Part III shall be applied prospectively. The Plan adopted amendments of this update for the 2015 Plan year, and the amendments in Part II were retrospectively applied to the 2014 Plan year. Part I and Part III did not have an impact on the Plan. The impact of adopting these amendments is reflected in these financial statements.

g. Subsequent Events

The Plan Administrator has evaluated subsequent events from December 31, 2015 through October 7, 2016, the date the financial statements were available to be issued, and there were no material subsequent events that required recognition or disclosure.

**Note 3 - Information Certified by Charles Schwab Bank:**

The following is a summary of the Plan's asset information as of December 31, 2015 and 2014, and for the year ended December 31, 2015, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by Charles Schwab Bank (the Trustee) and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the Trustee that information provided to the Plan Administrator by the Trustee related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Investments, at fair value: | | |
| Registered Investment Companies – Mutual Funds | $ 73,658,338 | $ 78,980,542 |
| Notes Receivable from Participants | $ 625,449 | $ 532,815 |

The Trustee also certified to the completeness and accuracy of ($3,015,572) of net depreciation in fair value of Plan's investments, $3,065,779 of interest and dividends, and $23,292 of interest income on notes receivables from participants related to the aforementioned Plan assets for the year ended December 31, 2015.

The fair value of the Kennedy/Jenks Common stock is not certified by the Trustee. This value is determined by the stock appraisal as discussed in Notes 2b and 7.

**Note 4 - Fair Value Measurements:**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under Topic 820 are described below:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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 that are unobservable inputs for the asset or liability.

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, 2015 and 2014.

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

*Kennedy/Jenks Consultants, Inc. Common Stock:* Valued at fair value based on an appraisal by an independent third party. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The methodology includes a weighted average of discounted future cash flows, the Merger and Acquisition method, and a three year average of publicly traded engineering company market value. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability and lack of control.

The valuation process involves plan management's selection of an independent appraiser each year. The Plan has used the same independent appraiser for the past several years. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which the Plan Administrative Committee reviews in detail, discusses and approves. The results of this process are documented in Plan Administrative Committee minutes.

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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

| **December 31, 2015** | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Registered investment companies - mutual funds | $73,658,338 | $73,658,338 | | |
| Kennedy/Jenks Consultants, Inc. Common Stock | 4,610,628 | | | $ 4,610,628 |
| Investments, at fair value | $78,268,966 | $73,658,338 | $ - | $ 4,610,628 |

| **December 31, 2014** | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Registered investment companies - mutual funds | $78,980,542 | $78,980,542 | | |
| Kennedy/Jenks Consultants, Inc. Common Stock | 5,376,379 | | | $ 5,376,379 |
| Investments, at fair value | $84,356,921 | $78,980,542 | $ - | $ 5,376,379 |

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2015.

| | Level 3 Assets<br>Year Ended December 31, 2015<br>Investment in Sponsor Company Common Stock |
|---|---|
| Balance, beginning of year | $ 5,376,379 |
| Unrealized gains relating to the instruments still held at the reporting date | 1,128 |
| Distributions/transfers | (766,879) |
| Balance, end of year | $ 4,610,628 |
| The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date | $ 1,128 |

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs.

| Description | Fair Value | Principal Valuation Technique(s) | Unobservable Input |
|---|---|---|---|
| Kennedy/Jenks Consultants, Inc. Common Stock | $4,610,628 | Weighted average of discounted future cash flows | Weighted average cost of capital.<br>Long-term revenue growth rate.<br>Long-term pretax operating margin.<br>Discount for lack of control.<br>Discount for lack of marketability. |
| | | Merger and Acquisition method | Enterprise value.<br>Revenue multiple.<br>EBITDA multiple.<br>Discount for lack of control.<br>Discount for lack of marketability. |
| | | Three year average of publicly traded engineering companies | EBITDA multiple.<br>Revenue multiple.<br>Discount for lack of control.<br>Discount for lack of marketability. |

**Note 5 - Administrative Expenses:**

Brokerage commission, professional, and administrative fees, and other expenses are paid by the Plan. The Company, at its discretion, pays certain expenses of the Plan. Personnel and facilities of the Company are used by the Plan for administration, accounting and other activities at no charge to the Plan.

**Note 6 - Plan Termination:**

Although the Company has not expressed any intent to do so, it has the right under the Plan Agreement to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, all plan participants will become 100 percent vested in their accounts.

**Note 7 - Plan Investment Options:**

Certain Plan's investments are held in trust by Charles Schwab Bank. Assets may be held temporarily in cash or other investments subject to the terms of the trust agreement.

Participant directed investment options available:

**Dodge & Cox Income Fund** consists of bonds and other fixed-income securities.

**Dodge & Cox Stock Fund** invests in a diversified portfolio of common stocks to achieve long-term growth of principal and income.

**EuroPacific Growth R5** invests in common stocks of issuers in Europe and the Pacific Basin that the investment advisor believes have the potential for growth.

**Growth Fund of America R5** invests primarily in common stock. The fund may invest up to 15% of asset in securities issuers domiciled outside of the U.S. and Canada. It may also invest up to 10% of assets in debt securities rated below investment grade.

**Harbor International Fund** invests primarily in stock of international companies with large capitalization.

**Neuberger & Berman Genesis Fund** consists mainly of small capitalization companies with market values of less than $1.5 billion at the time of investment.

Neuberger & Berman Genesis Fund was eliminated as an investment option. Vanguard Mid Capitalization Growth was added as an investment option. Investments remaining in the Neuberger & Berman Genesis Fund on the elimination date were transferred to Vanguard Mid Capitalization Growth.

**Northern Small Cap Value Fund** invests at least 80% of its net assets in equity securities of companies whose market capitalizations are similar to those within the Russell 2000 Index.

**PIMCO Total Return Fund** invests primarily in investment-grade debt securities but may invest up to 10% of its total assets in high yield securities, 30% in securities denominated in foreign currencies, and 15 % in securities economically tied to emerging market countries.

PIMCO Total Return Fund was eliminated as an investment option. Investments remaining in the PIMCO Total Return Fund on the elimination date were transferred to the Dodge & Cox Income Fund.

**Ridgeworth Mid-Cap Value Equity I** invests at least 80% of its net assets in US traded equity securities of mid-capitalization companies.

**RS Small Cap Growth Fund A** invests in a diversified portfolio of primarily common stocks with market capitalizations of $1.5 billion or less and a potential for more rapid growth than the overall economy.

**Schwab International Index Fund** seeks to track the performance of the total return of the MCSI EAFE index.

**Schwab Value Advantage Money Fund** consists of short-term debt securities.

**TCW Select Equities Fund CL I** invests at least 65% of assets in common stocks and convertibles of well established companies with market capitalization of $1 billion or more.

**Vanguard 500 Index Signal Fund** seeks to track the performance of a benchmark index that measures the investment return of large capitalization stocks.

**Vanguard Equity Income Admiral** seeks to provide an above-average level of current income and reasonable long-term capital appreciation.

**Vanguard Mid Capitalization Growth** seeks to provide long-term capital appreciation by investing assets in common stocks of mid-size companies with prospects for future growth.

**Vanguard Mid Capitalization Index Admiral** seeks to track the performance of a benchmark index that measures the investment return of mid capitalization companies.

**Vanguard Short Term Bond Index Admiral** seeks to track the performance of a broad U.S. investment grade market-weighted bond index with short-term dollar-weighted average maturity.

**Vanguard Small Capitalization Index Admiral** seeks to track the performance of a benchmark index that measures the investment return of small capitalization companies.

**Vanguard Target Retirement Funds** are funds of funds that are designed by selecting a mix of Vanguard mutual funds appropriate for the target retirement age of the investor.

**Wells Fargo Advantage Short Duration Government Bond Fund** invests in short term debt issued by U. S. government agencies and government-sponsored enterprises.

Non-participant directed

The ESOP invests in the common stock of the Company at purchase prices which do not exceed fair market value. As of December 31, 2015 and 2014, the Plan held 113,145 and 131,968 shares, respectively, of the Company's common stock. The fair value of the Kennedy/Jenks Consultants, Inc. Common Stock, as determined by appraisal, was $40.75 and $40.74 per share at December 31, 2015 and 2014, respectively.

The Plan recorded $1,128 in net appreciation in fair value from the common stock noted above during the year ended December 31, 2015.

The Plan's investments in common stock are all non-participant directed. Below is a summary of the Plan's investments as of December 31, 2015 and 2014:

| | 2015 | | 2014 | |
|---|---|---|---|---|
| | Cost | Fair Value | Cost | Fair Value |
| Kennedy/Jenks Consultants, Inc. Common Stock | $ 3,442,933* | $ 4,610,628 | $ 4,015,732* | $ 5,376,379 |

At December 31, 2015 and 2014, the investment in the Company's common stock represents approximately 6% of the Plan's total assets.

*Cost per share price to determine average cost is calculated using cost of previous year times total shares outstanding.

**Note 8 - Income Tax Status:**

The Plan obtained its latest determination letter on August 25, 2014, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. The Plan Administrator believes the Plan is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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 organization has taken an uncertain position that is more likely than not would be sustained upon examination. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2012.

**Note 9 - Risks and Uncertainties:**

The Plan provides for various investment options in any combination of the registered investment companies and other investments offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in risks in the near term would materially affect participant account balances and the amounts reported in the statement of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

The Vanguard 500 Index Signal Fund represented approximately 13% and 12% of Plan assets at December 31, 2015 and 2014, respectively.

**Note 10 - Party-in-Interest:**

Certain Plan investments in mutual funds are managed by Charles Schwab Bank, who is also the Trustee of the Plan. Any purchase and sales of these funds are open market transactions at fair market value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

# Kennedy/Jenks Consultants, Inc. Profit Sharing Retirement Plan

**Schedule H, Line 4i - Schedule of Assets (Held at End of Year)**
**Plan Sponsor: Kennedy/Jenks Consultants, Inc.**
**Plan Sponsor EIN: 94-2147007**
**Plan Number: 001**
**(See Independent Auditors' Report)**

*December 31, 2015*

(a) Identity of issue, borrower, lessor, or similar party
(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value
(c) Cost***
(d) Current value

| | (a) | (b) | (c) | (d) |
|---|---|---|---|---|
| | **Non-Participant Directed:** | | | |
| * | Employee Stock Ownership Plan: | | | |
| | Kennedy/Jenks Consultants, Inc. Common Stock | Common Stock | $ 4,004,163 | $ 4,610,628 |
| | **Participant Directed:** | | | |
| * | Schwab Value Advantage Money Fund | Money Market | | 4,727,248 |
| * | Schwab International Index Fund | Mutual Fund | | 1,473,615 |
| | Dodge & Cox Income Fund | Mutual Fund | | 7,284,739 |
| | Dodge & Cox Stock Fund | Mutual Fund | | 6,027,632 |
| | EuroPacific Growth R5 | Mutual Fund | | 4,373,078 |
| | Growth Fund of America R5 | Mutual Fund | | 2,409,016 |
| | Harbor International Fund | Mutual Fund | | 1,495,831 |
| | Northern Small Cap Value Fund | Mutual Fund | | 1,270,620 |
| | Ridgeworth Mid Cap Value Equity I | Mutual Fund | | 1,697,207 |
| | RS Small Cap Growth Fund A | Mutual Fund | | 2,068,087 |
| | TCW Select Equities Fund CL I | Mutual Fund | | 4,704,558 |
| | Vanguard 500 Index Signal Fund | Mutual Fund | | 9,916,813 |
| | Vanguard Equity Income Admiral | Mutual Fund | | 4,100,250 |
| | Vanguard Mid Cap Growth | Mutual Fund | | 4,598,762 |
| | Vanguard Mid Cap Index Admiral | Mutual Fund | | 1,766,868 |
| | Vanguard Short-term Bond Index Admiral | Mutual Fund | | 607,333 |
| | Vanguard Small Cap Index Admiral | Mutual Fund | | 1,002,328 |
| | Vanguard Target Retirement 2010 | Mutual Fund | | 1,775,175 |
| | Vanguard Target Retirement 2015 | Mutual Fund | | 2,205,045 |
| | Vanguard Target Retirement 2020 | Mutual Fund | | 1,900,309 |
| | Vanguard Target Retirement 2025 | Mutual Fund | | 2,549,537 |
| | Vanguard Target Retirement 2030 | Mutual Fund | | 1,290,581 |
| | Vanguard Target Retirement 2035 | Mutual Fund | | 1,624,243 |
| | Vanguard Target Retirement 2040 | Mutual Fund | | 661,224 |
| | Vanguard Target Retirement 2045 | Mutual Fund | | 812,561 |
| | Vanguard Target Retirement 2050 | Mutual Fund | | 382,016 |
| | Vanguard Target Retirement Income | Mutual Fund | | 782,937 |
| | Wells Fargo Adv Dur Govt Bd Adm | Mutual Fund | | 150,725 |
| | | | | 78,268,966 |
| ** | **Notes Receivable from Participants** | Interest Rate 4.25% - 4.50% | | 625,449 |
| | | | | $ 78,894,415 |

***** Managed by party-in-interest
****** Party-in-interest as defined by ERISA
******* Cost information omitted for participant directed investments

**Kennedy/Jenks Consultants Inc. Profit Sharing Retirement Plan**
**Schedule C, Part I, Line 3 - Service Provider Indirect Compensation Information**
**December 31, 2015**

**EIN: 94-2147007**
**Plan Number: 001**

**Received by Charles Schwab & Co., Inc. (EIN#94-1737782)**

| Fund Family/Provider | EIN | Formula |
|---|---|---|
| American Funds | 95-1411037 | Rate of 0.05% of average daily balance of asset(s) |
| Dodge & Cox | Not Available | Range of 0.08 - 0.10% of average daily balance of assets |
| Harbor | 04-2679462 | Rate of 0.10% of average daily balance of asset(s) |
| Northern Funds | 36-3608252 | Rate of 0.40% of average daily balance of asset(s) |
| RidgeWorth | 58-1604573 | Rate of 0.40% of average daily balance of asset(s) |
| RS Funds | 94-3321067 | Rate of 0.40% of average daily balance of asset(s) |
| Schwab Funds | 94-3106735 | Range of 0.02 - 0.25% of average daily balance of assets |
| TCW | 95-2749628 | Rate of 0.10% of average daily balance of asset(s) |
| Wells Fargo Funds | 41-0449260 | Rate of 0.30% of average daily balance of asset(s) |

# Schedule H, line 4i - Schedule of Assets (Held at End of Year)

NAME OF PLAN SPONSOR: Kennedy/Jenks Consultants, Inc.
NAME OF PLAN: Kennedy/Jenks Consultants Inc. Profit Sharing Retirement Plan
EIN: 94-2147007
PLAN NUMBER: 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | PARTICIPANT LOANS | Loans (4.25% - 4.5%) | | 625,448 |
| * | SCHWAB VALUE ADVANTAGE FUND | Money Market / Cash Equivalent | | 4,727,248 |
| * | KJC ESOP STOCK 1993 | Employer Securities | | 4,610,628 |
| | DODGE & COX INCOME FUND | Registered Investment Company | | 7,284,739 |
| | DODGE & COX STOCK FUND | Registered Investment Company | | 6,027,632 |
| | EUROPACIFIC GROWTH R5 | Registered Investment Company | | 4,373,078 |
| | GROWTH FUND OF AMERICA R5 | Registered Investment Company | | 2,409,016 |
| | HARBOR INTERNATIONAL FUND | Registered Investment Company | | 1,495,831 |
| | NORTHERN SMALL CAP VALUE | Registered Investment Company | | 1,270,620 |
| | RIDGEWORTH MID CAP VAL EQ I | Registered Investment Company | | 1,697,207 |
| | RS SMALL CAP GROWTH FUND A | Registered Investment Company | | 2,068,087 |
| * | SCHWAB INTERNATIONAL INDEX FD | Registered Investment Company | | 1,473,615 |
| | TCW SELECT EQUITIES FD CL I | Registered Investment Company | | 4,704,558 |
| | VANGUARD 500 INDEX ADMIRAL | Registered Investment Company | | 9,916,812 |
| | VANGUARD EQUITY INCOME ADMIRAL | Registered Investment Company | | 4,100,250 |
| | VANGUARD MID CAP GROWTH | Registered Investment Company | | 4,598,762 |
| | VANGUARD MID CAP INDEX ADMIRAL | Registered Investment Company | | 1,766,868 |
| | VANGUARD SHORT TERM BD IDX ADM | Registered Investment Company | | 607,333 |
| | VANGUARD SMALL CAP INDEX ADMRL | Registered Investment Company | | 1,002,328 |
| | VANGUARD TARGET RETIREMNT 2010 | Registered Investment Company | | 1,775,176 |
| | VANGUARD TARGET RETIREMNT 2015 | Registered Investment Company | | 2,205,045 |
| | VANGUARD TARGET RETIREMNT 2020 | Registered Investment Company | | 1,900,309 |
| | VANGUARD TARGET RETIREMNT 2025 | Registered Investment Company | | 2,549,537 |
| | VANGUARD TARGET RETIREMNT 2030 | Registered Investment Company | | 1,290,581 |
| | VANGUARD TARGET RETIREMNT 2035 | Registered Investment Company | | 1,624,243 |
| | VANGUARD TARGET RETIREMNT 2040 | Registered Investment Company | | 661,224 |
| | VANGUARD TARGET RETIREMNT 2045 | Registered Investment Company | | 812,561 |
| | VANGUARD TARGET RETIREMNT 2050 | Registered Investment Company | | 382,016 |
| | VANGUARD TARGET RETMT INCOME | Registered Investment Company | | 782,937 |
| | WF SHORT DURATION GOVT BD ADM | Registered Investment Company | | 150,725 |

* Party-in-interest