

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 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 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>09/01/2016</u> and ending <u>08/31/2017</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ☐		
D	Check box if filing under:	☒ Form 5558 ☐ special extension (enter description)	☐ automatic extension ☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>STEVENS ENGINEERS & CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>003</u>
		1c	Effective date of plan <u>05/01/2001</u>
2a	Plan sponsor's name (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) <u>STEVENS ENGINEERS & CONSTRUCTORS, INC.</u> <u>7850 FREEWAY CIRCLE, SUITE 100</u> <u>MIDDLEBURG HEIGHTS, OH 44130-6307</u>	2b	Employer Identification Number (EIN) <u>34-1048714</u>
		2c	Plan Sponsor's telephone number <u>440-234-7888</u>
		2d	Business code (see instructions) <u>237990</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/13/2018	VICKI ANDERSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 161
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) 90
a(2) Total number of active participants at the end of the plan year	6a(2) 95
b Retired or separated participants receiving benefits.....	6b 22
c Other retired or separated participants entitled to future benefits	6c 49
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 166
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 166
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 164
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2I 2P 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules	b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ <u>0</u> A (Insurance Information)
	(4) ☐ C (Service Provider Information)
	(5) ☐ D (DFE/Participating Plan Information)
	(6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) 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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>09/01/2016</u> and ending <u>08/31/2017</u>		
A Name of plan <u>STEVENS ENGINEERS & CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STEVENS ENGINEERS & CONSTRUCTORS, INC.</u>	D Employer Identification Number (EIN) <u>34-1048714</u>	

Part I	Asset and Liability Statement
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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	29132	46671
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	0	10773
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	8823548	8541694
(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	8852680	8599138

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	234465	0
j Other liabilities	1j	47917	11497
k Total liabilities (add all amounts in lines 1g through 1j)	1k	282382	11497

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8570298	8587641
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	236423	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		236423
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	23481	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		23481
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	256248	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		256248

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		516152

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	494076	
(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)		494076
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		1958
i Administrative expenses: (1) Professional fees.....	2i(1)	2775	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2775
j Total expenses. Add all expense amounts in column (b) and enter total	2j		498809

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		17343
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☐ Yes ☒ No

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

(1) Name: COHEN & COMPANY, LTD.

(2) EIN: 34-1912961

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	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		1500000
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 Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 09/01/2016 and ending 08/31/2017

A Name of plan <u>STEVENS ENGINEERS & CONSTRUCTORS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STEVENS ENGINEERS & CONSTRUCTORS, INC.</u>	D Employer Identification Number (EIN) <u>34-1048714</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-1048714</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

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
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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: <u>0.0</u> % 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? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

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

Independent Auditors' Report

We have audited the accompanying financial statements of the Stevens Engineers Employee Stock Ownership Plan (the Plan), which comprise the statement of net assets available for benefits as of August 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended August 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of August 31, 2017 and 2016, and the changes in its net assets available for benefits for the year ended August 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

COHEN & COMPANY, LTD.

800.229.1099 | 866.818.4538 fax | cohen CPA.com

Report on Supplemental Information

Our 2017 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year as of August 31, 2017, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cohen & Company Ltd.

June 13, 2018
Cleveland, Ohio

Stevens Engineers Employee Stock Ownership Plan

Independent Auditors' Report
August 31, 2017 and 2016

Cohen & Co

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STEVENS ENGINEERS EMPLOYEE
STOCK OWNERSHIP PLAN

AUGUST 31, 2017 AND 2016

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

Independent Auditors' Report

We have audited the accompanying financial statements of the Stevens Engineers Employee Stock Ownership Plan (the Plan), which comprise the statement of net assets available for benefits as of August 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended August 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of August 31, 2017 and 2016, and the changes in its net assets available for benefits for the year ended August 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

COHEN & COMPANY, LTD.

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Report on Supplemental Information

Our 2017 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year as of August 31, 2017, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cohen & Company Ltd.

June 13, 2018
Cleveland, Ohio

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AUGUST 31, 2017 AND 2016

	2017			2016		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments in Company common stock at fair value	\$ 8,541,694		\$ 8,541,694	\$ 8,701,471	\$ 122,077	\$ 8,823,548
Cash	57,444		57,444	29,132		29,132
	<u>8,599,138</u>		<u>8,599,138</u>	<u>8,730,603</u>	<u>122,077</u>	<u>8,852,680</u>
LIABILITIES						
Note payable					234,465	234,465
Other payable	10,747		10,747	42,800		42,800
Taxes payable				4,817		4,817
Administrative fees payable	750		750	300		300
	<u>11,497</u>		<u>11,497</u>	<u>47,917</u>	<u>234,465</u>	<u>282,382</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 8,587,641</u>	<u>\$ -</u>	<u>\$ 8,587,641</u>	<u>\$ 8,682,686</u>	<u>\$ (112,388)</u>	<u>\$ 8,570,298</u>

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

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED AUGUST 31, 2017

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS TO NET ASSETS			
ATTRIBUTABLE TO:			
Employer contributions		\$ 236,423	\$ 236,423
Dividends	\$ 23,156	325	23,481
Net appreciation in fair value of investments	256,248		256,248
Allocation of 629 shares of Company stock, at fair value	<u>122,402</u>		<u>122,402</u>
Total additions	<u>401,806</u>	<u>236,748</u>	<u>638,554</u>
DEDUCTIONS FROM NET ASSETS			
ATTRIBUTABLE TO:			
Benefits paid to participants	494,076		494,076
Interest expense		1,958	1,958
Administrative fees	2,775		2,775
Allocation of 629 shares of Company stock, at fair value	<u>122,402</u>	<u>122,402</u>	<u>122,402</u>
Total deductions	<u>496,851</u>	<u>124,360</u>	<u>621,211</u>
NET INCREASE (DECREASE) FOR THE YEAR	(95,045)	112,388	17,343
NET ASSETS AVAILABLE FOR BENEFITS:			
BEGINNING OF YEAR	<u>8,682,686</u>	<u>(112,388)</u>	<u>8,570,298</u>
END OF YEAR	<u>\$ 8,587,641</u>	<u>\$ -</u>	<u>\$ 8,587,641</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

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

General

Stevens Engineers and Constructors, Inc. and Subsidiaries (the Company) established the Plan effective as of May 1, 2001. The Plan was adopted so that all members of the Stevens Engineers and Constructors, Inc. controlled group of corporations could participate in the Plan, if the members of the controlled group met the eligibility provisions of the Plan. The Plan operates as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (Code), as amended, and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

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

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

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

Eligibility

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

Contributions

The Plan is funded by the Company's discretionary contributions to the Plan as determined by the Company's Board of Directors. Contributions authorized by the Board of Directors for the year ended August 31, 2017, were \$236,423. All Company contributions were subject to the limitations imposed under Code Section 404(a)(3)(A).

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN (Continued)

Contributions (continued)

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

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company Stock into investments which are more diversified. Participants who are at least age 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. The election to diversify is made subsequent to year-end based upon the shares of Company Stock in the participant's account at year-end.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of the Company Stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participants' eligible compensation, relative to total eligible compensation. The benefit to which a participant is entitled is the vested benefit that can be provided from the participant's account, as defined. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance to all participants' account balances.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in his or her account based on years of continuous service with the Company. A participant will be fully vested after six years of credited service or if employment ends due to retirement, permanent disability, or death.

Forfeited Accounts

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

During the year ended August 31, 2017, 154 shares and \$159 of cash was forfeited into the suspense account and redistributed to the eligible participant accounts. There was no balance in the unallocated forfeiture account at August 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits

Upon termination of service for reason of death, disability, retirement, or any other reason, the participant will receive his or her vested account balance as a lump-sum distribution or in annual installments. The method of distribution is cash and is determined by the value of the participant's account at the date of distribution. If the participant's account balance is less than \$5,000, the Plan makes an automatic lump-sum distribution to the participant equal to the participant's vested interest in his or her account. If the participant's account balance is between \$5,000 and \$20,000, the distribution is paid in equal annual installments ranging from two to four years on a graded schedule. Balances between \$20,000 and \$1,080,000 are paid in equal annual installments over a period of five years. For participant balances in excess of \$1,080,000, distributions are paid over five years plus an additional year for each \$215,000 in excess of \$1,080,000, not to exceed five additional years.

Put Option

Under federal income tax regulations, Company Stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the Company Stock. The put option permits the participant to sell Company Stock to the Company at any time during two option periods at the then fair market value as of the last valuation date, as specified in the Plan document. The Company can pay for the purchase in lump-sum or with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Voting Rights

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Accounting Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Accounting Estimates (continued)

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

Administrative Expenses

All expenses of maintaining the Plan are paid by the Company. Fees related to the administration of distributions to participants are charged directly to the participant's account and are included in administrative fees.

Income Taxes

In accordance with GAAP, the Plan administrator is required to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). The Plan is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. As of August 31, 2017 and 2016, and for the year ended August 31, 2017, the Plan did not have a liability for unrecognized tax benefits.

Investment Valuation and Income Recognition

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

Dividend income is recorded on the ex-dividend date.

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

Payment of Benefits

Benefits are recorded when paid.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

Plan management has evaluated subsequent events through June 13, 2018, the date the financial statements were available to be issued.

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS

At August 31, 2017 and 2016, the investments in Company Stock are as follows:

	August 31, 2017	
	Allocated	Unallocated
Stevens Engineers and Constructors, Inc., common stock, 42,708 shares at estimated fair value	\$ 8,541,694	\$ -
	August 31, 2016	
	Allocated	Unallocated
Stevens Engineers and Constructors, Inc., common stock, 44,853 and 629 shares, respectively, at estimated fair value	\$ 8,701,471	\$ 122,077

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

All accounts were non-participant directed.

4. ADMINISTRATION OF PLAN ASSETS

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

Company contributions are held and managed by the Trustee, who invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administered the payment of interest and principal on the note payable.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses of the Plan are comprised of annual administration fees which are paid directly by the Company.

5. FAIR VALUE MEASUREMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS

5. FAIR VALUE MEASUREMENTS (Continued)

Level 2 Other significant observable inputs including: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from, or corroborated by, observable market data by correlation or other means

Level 3 Inputs are significant and unobservable (including the Plan's own assumptions used to determine value)

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the valuation methodology used at August 31, 2017 and 2016.

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

Plan management accumulates the data for the appraiser from the audited and projected financial statements of the Company. The appraiser prepares a preliminary report which Plan management, along with the Board of Trustees, reviews in detail, discusses, and approves. The appraisers' report, upon approval, is used to estimate per share value that a participant will receive upon distribution.

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

Assets measured at fair value by level, within the fair value hierarchy, are comprised of the following at August 31, 2017:

	Level 1	Level 2	Level 3
Sponsor company common stock	\$ -	\$ -	\$ 8,541,694

Assets measured at fair value by level, within the fair value hierarchy, are comprised of the following at August 31, 2016:

	Level 1	Level 2	Level 3
Sponsor company common stock	\$ -	\$ -	\$ 8,823,548

NOTES TO THE FINANCIAL STATEMENTS

5. FAIR VALUE MEASUREMENTS (Continued)

Following is a reconciliation of activity for the year ended August 31, 2017, of assets measured at fair value based on significant unobservable (non-market) inputs (Level 3):

Balance - Beginning of year	\$ 8,823,548
Unrealized gains	256,248
Shares redeemed by Company (2,774 shares)	(538,102)
Balance - End of year	<u>\$ 8,541,694</u>

6. NOTE PAYABLE

The Plan had a term loan agreement with a former officer of the Company bearing interest at 4%. The proceeds from the note payable were used to purchase Company Stock in 2007, and the unallocated outstanding Company Stock owned by the Plan was collateral for the loan. The outstanding balance of the loan amounted to \$234,465 at August 31, 2016, which was repaid in full during 2017. Interest expense of \$1,958 was incurred during the year ended August 31, 2017.

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

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

7. COMPANY DIVIDENDS

The Company paid a dividend to the ESOP of \$0.50 per share or \$23,481 during the year ended August 31, 2017.

8. TAX STATUS

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

9. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their interests, and each participant's account will be distributed at such time as described by the Plan. Also, upon termination, all liabilities and expenses of the Plan will be paid.

NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Stevens Engineers and Constructors, Inc. common stock, which is the Plan sponsor. These investment activities are related party and party-in-interest transactions. As described in Notes 2 and 4, the Company pays the expenses of the Plan.

Additionally, the Plan is allowed to sell shares of unallocated Company Stock from the Plan to certain employees of the Company who are not participants in the Plan, who are considered as parties-in-interest. The sales are done at the fair value of the Company Stock as of the transaction date. No shares of Company Stock were sold during 2017.

11. RISKS AND UNCERTAINTIES

The Plan investments consist primarily of Company Stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with the Company Stock and to uncertainties inherent in the estimates and assumptions process, it is at least reasonably possible that changes in the value of the Company Stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

STEVENS ENGINEERS EMPLOYEE STOCK OWNERSHIP PLAN

FORM 5500 EIN: 34-1048714
PLAN NUMBER: 003 YEAR END: AUGUST 31, 2017
PLAN SPONSOR: STEVENS ENGINEERS AND CONSTRUCTORS, INC.

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

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Current Value
*	Stevens Engineers and Constructors, Inc. Common Stock	42,708 Shares of Common Stock	<u>\$ 7,943,688</u>	<u>\$ 8,541,694</u>

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