

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 2)

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **January 21, 2015**

WILLDAN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33076
(Commission File No.)

14-1951112
(I.R.S. Employer
Identification Number)

2401 East Katella Avenue, Suite 300, Anaheim, California 92806
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(800) 424-9144**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

The purpose of this Report is to amend the Current Report on Form 8-K of Willdan Group, Inc. (the "Company") originally filed with the United States Securities and Exchange Commission (the "Commission") on January 21, 2015 (the "Initial Form 8-K"), as amended by Amendment No. 1 to the Current Report on Form 8-K/A filed with the Commission on March 27, 2015 ("Amendment No. 1"), each related to two separate acquisitions by the Company. On January 15, 2015, the Company acquired substantially all of the assets of 360 Energy Engineers, LLC ("360 Energy") pursuant to the terms of an Asset Purchase Agreement, dated as of January 15, 2015, by and among the Company, Willdan Energy Solutions ("WES"), and 360 Energy. In addition, on the same date, the Company acquired all the outstanding shares of Abacus Resource Management ("Abacus") pursuant to the terms of a Stock Purchase Agreement, dated as of January 15, 2015, by and among the Company, WES, Abacus and Mark Kinzer and Steve Rubbert.

This Amendment No. 2 to the Current Report on Form 8-K/A ("Amendment No. 2") amends and supplements Item 9.01 of Amendment No. 1 to file a revised independent auditor's report of Kent, Kuykendall & Co., P.C. for the financial statements of Abacus, as of and for the year ended December 31, 2013 (the "Revised Abacus Audit Report"), and an updated consent of Kent, Kuykendall & Co., P.C., the independent auditors of Abacus, as well as an updated consent of Kohart Accounting p.a., the independent auditors of 360 Energy. The Revised Abacus Audit Report does not revise any of Abacus' previously filed financial statements. Any information required to be set forth in the Initial Form 8-K or Amendment No. 1 which is not being amended or supplemented pursuant to this Amendment No. 2 is hereby incorporated by reference. Except as set forth herein, no modifications have been made to the information contained in the Initial Form 8-K or Amendment No. 1 and the Company has not updated any information contained therein to reflect the events that have occurred since the date of the Initial Form 8-K or Amendment No. 1. Accordingly, this Amendment No. 2 should be read in conjunction with the Initial Form 8-K and Amendment No. 1.

Note Regarding Forward-Looking Statements

Statements and other information included in this Current Report on Form 8-K/A that are not historical facts, including statements about the Company's plans, strategies, beliefs and expectations, as well as certain estimates and assumptions used by the Company's management, may constitute forward-looking statements. Forward-looking statements are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements speak only as of the date they are made and, except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statement.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on estimates and assumptions that are subject to change or revision, including the estimates and assumptions used by the Company in preparing the pro forma financial information included in this Current Report on Form 8-K/A that could cause actual results to differ materially from those expected or implied by the forward-looking statements or the estimates or assumptions used. Such forward-looking statements include, without limitation, the Company's current expectations with respect to payment of the earn-out consideration and preliminary estimated adjustments to record the assets and liabilities of the Company at their respective estimates of fair values under acquisition accounting, and are based on current available information.

Actual results may differ materially from the forward-looking statements for a number of reasons, including additional information regarding the fair values of assets and liabilities becoming available, the performance of additional fair value analyses, and risk factors identified in the Company's periodic filings with the SEC, including without limitation in the Company's Annual Report on Form 10-K for the year ended January 2, 2015. Factors other than those listed above also could cause the Company's results to differ materially from expected results.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

- (1) Unaudited financial statements of 360 Energy, as of and for the nine months ended September 30, 2014, are being filed as Exhibit 99.1 to this Form 8-K/A and are incorporated herein by reference.
- (2) Unaudited financial statements of 360 Energy, as of and for the nine months ended September 30, 2013, are being filed as Exhibit 99.2 to this Form 8-K/A and are incorporated herein by reference.
- (3) Audited financial statements of 360 Energy as of and for the year ended December 31, 2013, are being filed as Exhibit 99.3 to this Form 8-K/A and are incorporated herein by reference.
- (4) Audited financial statements of 360 Energy as of and for the year ended December 31, 2012, are being filed as Exhibit 99.4 to this Form 8-K/A and are incorporated herein by reference.
- (5) Unaudited financial statements of Abacus, as of and for the nine months ended September 30, 2014, are being filed as Exhibit 99.5 to this Form 8-K/A and are incorporated herein by reference.
- (6) Unaudited financial statements of Abacus, as of and for the nine months ended September 30, 2013, are being filed as Exhibit 99.6 to this Form 8-K/A and are incorporated herein by reference.
- (7) Audited financial statements of Abacus, as of and for the year ended December 31, 2013, are being filed as Exhibit 99.7 to this Form 8-K/A and are incorporated herein by reference.

(b) Pro Forma Financial Information

- (1) Unaudited pro forma condensed combined balance sheets and statements of operations for the Company as of and for the nine months ended September 26, 2014 and for the year ended December 27, 2013, giving effect to the acquisition of 360 Energy, and the notes thereto, are being filed as Exhibit 99.8 to this Form 8-K/A and are incorporated herein by reference.
- (2) Unaudited pro forma condensed combined balance sheets and statements of operations for the Company as of and for the nine months ended September 26, 2014 and for the year ended December 27, 2013, giving effect to the acquisition of Abacus, and the notes thereto, are being filed as Exhibit 99.9 to this Form 8-K/A and are incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
2.1	Stock Purchase Agreement, by and among Willdan Energy Solutions, Abacus Resource Management Company, Willdan Group, Inc. and the shareholders of Abacus Resource Management Company, dated as of January 15, 2015 (incorporated herein by reference to Exhibit 2.1 to Willdan Group, Inc.'s Current Report on Form 8-K filed on January 21, 2015).
2.2	Asset Purchase Agreement, by and among Willdan Energy Solutions, Willdan Group, Inc. and 360 Energy Engineers, LLC, dated as of January 15, 2015 (incorporated herein by reference to Exhibit 2.2 to Willdan Group, Inc.'s Current Report on Form 8-K filed on January 21, 2015).
23.1	Consent of Kohart Accounting p.a., independent accountants for 360 Energy Engineers, LLC (filed herewith)
23.2	Consent of Kent, Kuykendall & Co., P.C., independent accountants for Abacus Resource Management Company (filed herewith)

- 99.1 Unaudited financial statements of 360 Energy Engineers, LLC as of and for the nine months ended September 30, 2014 (incorporated herein by reference to Exhibit 99.1 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.2 Unaudited financial statements of 360 Energy Engineers, LLC as of and for the nine months ended September 30, 2013 (incorporated herein by reference to Exhibit 99.2 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.3 Audited financial statements of 360 Energy Engineers, LLC as of and for the year ended December 31, 2013 (incorporated herein by reference to Exhibit 99.3 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.4 Audited financial statements of 360 Energy Engineers, LLC as of and for the year ended December 31, 2012 (incorporated herein by reference to Exhibit 99.4 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.5 Unaudited financial statements of Abacus Resource Management Company as of and for the nine months ended September 30, 2014 (incorporated herein by reference to Exhibit 99.5 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.6 Unaudited financial statements of Abacus Resource Management Company as of and for the nine months ended September 30, 2013 (incorporated herein by reference to Exhibit 99.6 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.7 Audited financial statements of Abacus Resource Management Company as of and for the year ended December 31, 2013 (filed herewith)
- 99.8 Unaudited pro forma condensed combined balance sheets and statements of operations for Willdan Group, Inc. as of and for the nine months ended September 26, 2014 and for the year ended December 27, 2013, giving effect to the acquisition of 360 Energy, and the notes thereto (incorporated herein by reference to Exhibit 99.8 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.9 Unaudited pro forma condensed combined balance sheets and statements of operations for Willdan Group, Inc. as of and for the nine months ended September 26, 2014 and for the year ended December 27, 2013, giving effect to the acquisition of Abacus, and the notes thereto (incorporated herein by reference to Exhibit 99.9 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).

4

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Willdan Group, Inc.

Date: September 25, 2015

By: /s/ Stacy B. McLaughlin
 Name: Stacy B. McLaughlin
 Title: Chief Financial Officer and Vice President

5

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
2.1	Stock Purchase Agreement, by and among Willdan Energy Solutions, Abacus Resource Management Company, Willdan Group, Inc. and the shareholders of Abacus Resource Management Company, dated as of January 15, 2015 (incorporated herein by reference to Exhibit 2.1 to Willdan Group, Inc.'s Current Report on Form 8-K filed on January 21, 2015).
2.2	Asset Purchase Agreement, by and among Willdan Energy Solutions, Willdan Group, Inc. and 360 Energy Engineers, LLC, dated as of January 15, 2015 (incorporated herein by reference to Exhibit 2.2 to Willdan Group, Inc.'s Current Report on Form 8-K filed on January 21, 2015).
23.1	Consent of Kohart Accounting p.a., independent accountants for 360 Energy Engineers, LLC (filed herewith)
23.2	Consent of Kent, Kuykendall & Co., P.C., independent accountants for Abacus Resource Management Company (filed herewith)
99.1	Unaudited financial statements of 360 Energy Engineers, LLC as of and for the nine months ended September 30, 2014 (incorporated herein by reference to Exhibit 99.1 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
99.2	Unaudited financial statements of 360 Energy Engineers, LLC as of and for the nine months ended September 30, 2013 (incorporated

herein by reference to Exhibit 99.2 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).

- 99.3 Audited financial statements of 360 Energy Engineers, LLC as of and for the year ended December 31, 2013 (incorporated herein by reference to Exhibit 99.3 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.4 Audited financial statements of 360 Energy Engineers, LLC as of and for the year ended December 31, 2012 (incorporated herein by reference to Exhibit 99.4 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.5 Unaudited financial statements of Abacus Resource Management Company as of and for the nine months ended September 30, 2014 (incorporated herein by reference to Exhibit 99.5 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.6 Unaudited financial statements of Abacus Resource Management Company as of and for the nine months ended September 30, 2013 (incorporated herein by reference to Exhibit 99.6 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.7 Audited financial statements of Abacus Resource Management Company as of and for the year ended December 31, 2013 (filed herewith)
- 99.8 Unaudited pro forma condensed combined balance sheets and statements of operations for Willdan Group, Inc. as of and for the nine months ended September 26, 2014 and for the year ended December 27, 2013, giving effect to the acquisition of 360 Energy, and the notes thereto (incorporated herein by reference to Exhibit 99.8 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).
- 99.9 Unaudited pro forma condensed combined balance sheets and statements of operations for Willdan Group, Inc. as of and for the nine months ended September 26, 2014 and for the year ended December 27, 2013, giving effect to the acquisition of Abacus, and the notes thereto (incorporated herein by reference to Exhibit 99.9 to Willdan Group, Inc.'s Amendment No. 1 to its Current Report on Form 8-K/A filed on March 27, 2015).



CONSENT OF INDEPENDENT ACCOUNTANTS

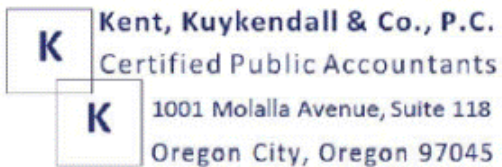
We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-139127, 333-152951, 333-168787 and 333-184823) of Willdan Group, Inc. of our reports dated May 3, 2013, May 9, 2014, November 26, 2014 and January 5, 2015 relating to the consolidated financial statements of 360 Energy Engineers, LLC.

/s/ Christopher Kohart

Christopher Kohart, Certified Public Accountant

Lawrence, Kansas
September 23, 2015

901 Kentucky · Suite 301 · Lawrence, Kansas 66044 · Phone: 785.856.2882 · Fax: 785.856.2284 · www.kohartaccounting.com



David A. Kuykendall, CPA
Thomas H. Hamann, JD/CPA
Amy D. Johnson, CPA
Carrie N. Kuykendall, CPA

Phone: (503) 656-1405

Fax: (503) 655-7505

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-139127, 333-152951, 333-168787 and 333-184823) of Willdan Group, Inc. of our reports dated December 26, 2014, December 29, 2014 and January 7, 2015 relating to the financial statements of Abacus Resource Management Company.

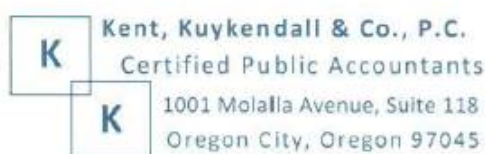
/s/ David A. Kuykendall
David A. Kuykendall, CPA
President

Oregon City, Oregon
September 24, 2015

ABACUS RESOURCE MANAGEMENT COMPANY

FINANCIAL STATEMENTS

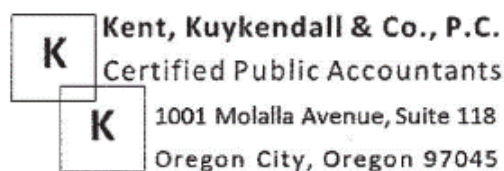
For the Year Ended December 31, 2013



1

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
BALANCE SHEET	3 - 4
STATEMENT OF INCOME	5
STATEMENT OF RETAINED EARNINGS	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8 - 12



David A. Kuykendall, CPA
 Thomas H. Hamann, JD/CPA
 Amy D. Johnson, CPA
 Carrie N. Kuykendall, CPA

Phone: (503) 656-1405
 Fax: (503) 655-7505

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
 Abacus Resource Management Company

Report on the Financial Statements

We have audited the accompanying financial statements of Abacus Resource Management Company (a Corporation), which comprise the balance sheet as of December 31, 2013, and the related statements of income, retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 entity'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 entity'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 financial position of Abacus Resource Management Company as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kent, Kuykendall & Co., P.C.

/s/ Kent, Kuykendall & Co., P.C.

December 26, 2014

**ABACUS RESOURCE MANAGEMENT COMPANY
BALANCE SHEET
December 31, 2013**

<u>ASSETS</u>	
CURRENT ASSETS	
Cash in checking	\$ 666,454
Accounts receivable - trade	494,469
Retention receivable	346,964
Costs and estimated earnings in excess of billings on uncompleted contracts	<u>197,815</u>
TOTAL CURRENT ASSETS	<u>1,705,702</u>
PROPERTY AND EQUIPMENT, at cost	
Equipment	92,615
Furniture and fixtures	23,666
Office and computer equipment	23,510
Vehicles	<u>164,355</u>
	304,146
Less accumulated depreciation	<u>(117,632)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>186,514</u>
OTHER ASSETS	
Deposits	<u>4,602</u>
TOTAL ASSETS	<u>\$ 1,896,818</u>

Continued on next page.

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

**ABACUS RESOURCE MANAGEMENT COMPANY
BALANCE SHEET (Continued)
December 31, 2013**

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	
CURRENT LIABILITIES	
Accounts payable - trade	\$ 511,645
Retention payable	139,097
Billings in excess of costs and estimated earnings on uncompleted contracts	135,978
Sales tax payable	907
Current maturities of long-term debt	<u>24,789</u>

TOTAL CURRENT LIABILITIES	<u>812,416</u>
LONG-TERM LIABILITIES	
Notes payable - stockholders	40,000
Long-term debt, net of current maturities	<u>66,650</u>
TOTAL LONG-TERM LIABILITIES	<u>106,650</u>
TOTAL LIABILITIES	<u>919,066</u>
STOCKHOLDERS' EQUITY	
Common stock, no par value, 2,000 shares authorized and issued	2,000
Retained earnings	<u>975,752</u>
TOTAL STOCKHOLDERS' EQUITY	<u>977,752</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,896,818</u>

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

4

ABACUS RESOURCE MANAGEMENT COMPANY
STATEMENT OF INCOME
For the Year Ended December 31, 2013

	<u>Amount</u>	<u>Percent</u>
CONTRACT REVENUES	<u>\$ 8,732,495</u>	<u>100.0%</u>
CONTRACT COSTS		
Subcontractors	6,114,545	70.1
Labor	605,081	6.9
Materials and equipment	9,821	0.1
Construction bond fees	112,505	1.3
Travel	36,628	0.4
TOTAL CONTRACT COSTS	<u>6,878,580</u>	<u>78.8</u>
GROSS PROFIT FROM CONTRACTS	<u>1,853,915</u>	<u>21.2</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Auto expense	38,932	0.4
Business development and warranty	8,686	0.1
Rent	91,407	1.0
Office expense	15,593	0.2
Insurance and bonds	25,169	0.3
Payroll expenses	560,659	6.4
Taxes - other	40,377	0.5
Telephone and internet	19,892	0.2
Travel	9,365	0.1
Depreciation	60,065	0.7
Professional services	33,777	0.4
Business meals and entertainment	6,060	0.1
Computer expenses	24,048	0.3
Dues and subscriptions	1,718	—
Licenses and permits	1,263	—
Small equipment	6,440	0.1
Advertising	10,955	0.1
Utilities	3,800	—
Miscellaneous	5,415	0.1
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>963,621</u>	<u>11.0</u>
TOTAL OPERATING INCOME	<u>890,294</u>	<u>10.2</u>
OTHER INCOME (EXPENSE)		
Interest income	70	—
Interest expense	(3,771)	(0.1)
Loss on disposal of fixed assets	(2,893)	—
TOTAL OTHER INCOME (EXPENSE)	<u>(6,594)</u>	<u>(0.1)</u>
NET INCOME	<u>\$ 883,700</u>	<u>10.1%</u>

ABACUS RESOURCE MANAGEMENT COMPANY
STATEMENT OF RETAINED EARNINGS
For the Year Ended December 31, 2013

RETAINED EARNINGS JANUARY 1, 2013	\$ 1,091,132
NET INCOME FOR PERIOD	883,700
STOCKHOLDERS' DISTRIBUTIONS	<u>(999,080)</u>
RETAINED EARNINGS DECEMBER 31, 2013	<u>\$ 975,752</u>

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

ABACUS RESOURCE MANAGEMENT COMPANY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 883,700
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	60,065
Loss on disposal of property and equipment	2,894
Decrease in accounts receivable	35,571
Increase in retention receivable	(1,504)
Decrease in costs and estimated earnings in excess of billings on uncompleted contracts	47,467
Decrease in accounts payable	(70,802)
Increase in retention payable	23,138
Increase in billings in excess of costs and estimated earnings on uncompleted contracts	32,272
Decrease in sales tax payable	<u>(29,279)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>983,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease in certificates of deposit	100,050
Purchase of property and equipment	<u>(42,540)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>57,510</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from long-term debt	35,841
Payments on long-term debt	(44,148)
Stockholders' distributions	<u>(999,080)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(1,007,387)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,645
CASH AND CASH EQUIVALENTS, beginning	<u>632,809</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 666,454</u>

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

ABACUS RESOURCE MANAGEMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Abacus Resource Management Company (ARMCO) is a full-service energy services company founded in 1986. ARMCO's core business is identifying and implementing energy conservation projects for its clients throughout the Pacific Northwest.

Operating Cycle

Assets and liabilities related to long-term contracts are included in current assets and current liabilities in the accompanying balance sheets as they will be liquidated in the normal course of contract completion, although this may require more than one year.

Revenue and Cost Recognition on Construction Contracts

The Corporation recognizes revenues from construction contracts on the percentage-of-completion method, measured by the percentage of cost incurred to date to estimated total costs for each contract. This method is used because management considers total cost to be the best available measure of progress on the contracts.

Contract costs include all direct labor, material, subcontract costs, other direct costs and allocated indirect costs related to contract performance. Selling, general and administrative costs are charged to expense when incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "Billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers cash and short-term investments with original maturities of three months or less to be cash equivalents.

The Corporation maintains all of its cash at one bank which, at times, is in excess of federally insured limits. Management monitors the soundness of this financial institution and feels the Corporation's risk is negligible. The Corporation has not experienced any losses in such accounts.

Accounts Receivable

Accounts receivable have been recorded at full value with no provision for doubtful accounts. All accounts receivable are deemed collectible at December 31, 2013.

ABACUS RESOURCE MANAGEMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost and include major expenditures which increase productivity or substantially increase useful lives.

Maintenance, repairs, and minor replacements are charged to expense when incurred. When equipment is sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of operations.

The cost of equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method for financial reporting purposes. Estimated useful lives range from 3 to 5 years.

Advertising Costs

The Corporation expenses the cost of advertising as incurred. Total advertising costs expensed in 2013 were \$10,955.

Income Taxes

Provisions for income taxes have not been provided because the stockholders elected to be treated as an S Corporation for income tax purposes. As such, the corporation income or loss and credits are passed to the stockholders and are combined with their other personal income and deductions to determine taxable income on their individual tax returns. In addition, accelerated depreciation methods are used for tax reporting purposes.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates. Management's estimates and assumptions include, but are not limited to, estimates of contract revenue, costs and gross profit. Management's estimates and assumptions are derived from and are continually evaluated based upon available information, judgment and experience.

Warranties

The Corporation provides a one-year warranty covering defects specific to its portion of contracts on construction projects. The warranty historically has not produced material costs; therefore, the Corporation does not accrue future estimated expense against current operations.

ABACUS RESOURCE MANAGEMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of the Corporation are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. It is not practicable for the Corporation to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Corporation's policy is to recognize the costs of compensated absences when actually paid to employees.

NOTE 2 — COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Costs incurred on uncompleted contracts	\$ 7,220,666
Estimated earnings	2,069,567
	<u>9,290,233</u>
Less billings to date	(9,228,396)
	<u>\$ 61,837</u>
Included in the accompanying balance sheet under the following captions:	
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 197,815
Billings in excess of costs and estimated earnings on uncompleted contracts	(135,978)
	<u>\$ 61,837</u>

NOTE 3 — LEASING ARRANGEMENTS

The Corporation conducts its operations from facilities that are leased under a 39-month operating lease that will expire on July 31, 2015. The current monthly rent is \$4,602 with a rent concession of \$594 per month through July 1, 2014.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2013:

2014	\$ 51,066
2015	32,214
	<u>\$ 83,280</u>

Total rent expense under all operating leases was \$91,407 for 2013.

ABACUS RESOURCE MANAGEMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

NOTE 4 — LINE OF CREDIT

The Corporation has available a line of credit up to \$500,000 with KeyBank National Association at an interest rate of prime plus 1.0%. The line is secured by all assets of the Corporation and the personal guarantees of the Corporation's stockholders. At December 31, 2013, there was no balance due on the line of credit.

NOTE 5 — LONG-TERM DEBT

Long-term debt consists of the following:

	<u>Total</u>	<u>Current Portion</u>
Note payable to Toyota Motor Credit at \$566.83 per month including interest at 3.99%. The note is secured by a 2008 Toyota Sequoia.	\$ 16,159	\$ 6,271
Note payable to Dodge Credit at \$479.76 per month including interest at 5.75%. The note is secured by a 2011 Dodge Ram.	11,702	5,220

Note payable to TD Auto Finance at \$652.44 per month including interest at 4.09%. The note is secured by a 2013 Dodge Charger.	27,737	6,822
Note payable to Chrysler Capital at \$670.91 per month including interest at 4.59%. The note is secured by a 2014 Dodge Pickup.	35,841	6,476
	<u>\$ 91,439</u>	<u>\$ 24,789</u>

Principal payments due on long-term debt using these payment amounts for subsequent years are as follows:

2014	\$	24,789
2015		26,007
2016		18,884
2017		13,910
2018		<u>7,849</u>
	<u>\$</u>	<u>91,439</u>

NOTE 6 — STOCKHOLDERS' EQUITY

The Corporation has 2,000 shares of authorized and issued no par stock with a stated value of \$1.00 per share.

11

ABACUS RESOURCE MANAGEMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

NOTE 7 — MAJOR CUSTOMERS AND RISK CONCENTRATIONS

Contract revenues consist primarily of contracts with public and non-profit entities located throughout Oregon and Washington.

Accounts receivable from one customer as of December 31, 2013 represents 68% of the total trade accounts receivable balance. The Corporation had three customers which made up approximately 79% of the contract revenues for the year ended December 31, 2013.

NOTE 8 — SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The Corporation uses the indirect method for reporting cash flow.

Cash paid during the period for:

Interest	<u>\$ 3,771</u>
Excise taxes	<u>\$ 150</u>

NOTE 9 — SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through December 26, 2014, which is the date the financial statements were available to be issued.

As of the date of the financial statements, the Corporation was in ongoing negotiations for the sale of the entire Corporation.

12