

MYR GROUP INC.
Form 10-K/A
February 16, 2017

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 10-K/A
Amendment No. 1**

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to**

Commission file number: 1-08325

MYR GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-3158643
(I.R.S. Employer
Identification No.)
1701 Golf Road, Suite 3-1012
Rolling Meadows, IL 60008

(Address of principal executive offices, including zip code)

(847) 290-1891

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, \$0.01 par value	NASDAQ

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting

company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2015 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the outstanding common equity held by non-affiliates of the registrant was approximately \$633.4 million, based upon the closing sale price of the common stock on such date as reported by the NASDAQ Global Market (for purposes of calculating this amount, only directors, officers and beneficial owners of 10% or more of the outstanding capital stock of the registrant have been deemed affiliates).

As of February 26, 2016 there were 19,437,086 shares of the registrant's \$0.01 par value common stock outstanding.

TABLE OF CONTENTS

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-K/A (the Amendment) to our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission on March 3, 2016 (the Original Filing), solely to:

amend each of Item 8 Financial Statements and Supplementary Data and Item 9A Controls and Procedures, to properly disclose the exclusion of the internal controls over financial reporting of the two businesses acquired in 2015 from management's assessment of, and the auditor's attestation regarding, internal controls over financial reporting as of December 31, 2015. Such exclusion is in accordance with Securities and Exchange Commission guidance that the assessment of a recently acquired business may be omitted in management's report on internal controls over financial reporting, provided the acquisition took place during the fiscal year being assessed.

Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have repeated the entire text of Item 8 and Item 9A of the Form 10-K in this Amendment. However, there have been no changes to the text of such item other than the change stated in the immediately preceding paragraph.

As a result of these amendments, the certifications pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, filed as exhibits to the Original Filing, have been re-executed and re-filed as of the date of this Form 10-K/A.

Except as described above, this Form 10-K/A does not modify or update any other disclosures in, including any of the financial information disclosed in Part II, or exhibits to, the Original Filing.

TABLE OF CONTENTS

MYR GROUP INC.

**ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2015**

TABLE OF CONTENTS

	Page
PART II	
<u>Item 8.</u>	1
<u>Financial Statements and Supplementary Data</u>	
<u>Item 9A.</u>	<u>35</u>
<u>Controls and Procedures</u>	
PART IV	
<u>Item 15.</u>	<u>37</u>
<u>Exhibits and Financial Statement Schedules</u>	

Throughout this report, references to MYR Group, the Company, we, us, and our refer to MYR Group Inc. and its consolidated subsidiaries, except as otherwise indicated or as the context otherwise requires.

TABLE OF CONTENTS

PART II

Item 8. Financial Statements and Supplementary Data

INDEX TO FINANCIAL STATEMENTS

<u>Report of Management</u>	<u>2</u>
<u>Reports of Independent Registered Public Accounting Firm</u>	<u>3</u>
<u>Consolidated Balance Sheets as of December 31, 2015 and 2014</u>	<u>5</u>
<u>Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2015, 2014 and 2013</u>	<u>6</u>
<u>Consolidated Statements of Stockholders' Equity for the years ended December 31, 2015, 2014 and 2013</u>	<u>7</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013</u>	<u>8</u>
<u>Notes to Financial Statements</u>	<u>9</u>

1

TABLE OF CONTENTS

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our Financial Statements for external purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2015 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurances and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management's assessment and conclusion of the Company's internal control over financial reporting as of December 31, 2015 excluded the internal control over financial reporting of E.S. Boulos Company and High Country Line Construction, Inc., which were acquired on April 13, 2015 and November 24, 2015, respectively. E.S. Boulos Company and High Country Line Construction, Inc., combined, represented a total of approximately 5.7% and 5.3% of total assets and net assets, respectively, as of December 31, 2015, and 4.9% and 8.4% of contract revenues and income from operations, respectively, for the year then ended. Such exclusion is in accordance with Securities and Exchange Commission guidance that the assessment of a recently acquired business may be omitted in management's report on internal controls over financial reporting, provided the acquisition took place during the fiscal year being assessed.

Ernst & Young LLP, an independent registered public accounting firm, who audited and reported on the Financial Statements included in our Form 10-K filed with the Securities and Exchange Commission on March 3, 2016, has audited the effectiveness of MYR Group's internal control over financial reporting as of December 31, 2015 as stated in their report which appears herein.

March 3, 2016

TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm

To Board of Directors and Stockholders of
MYR Group Inc.

We have audited the accompanying consolidated balance sheets of MYR Group Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations and comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of MYR Group Inc. at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), MYR Group Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 3, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois
March 3, 2016

TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm

To Board of Directors and Stockholders of
MYR Group Inc.

We have audited MYR Group Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). MYR Group Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of E.S. Boulos Company and High Country Line Construction, Inc., which are included in the 2015 consolidated financial statements of MYR Group Inc. and constituted approximately 5.7% and 5.3% of total assets and net assets, respectively, as of December 31, 2015, and 4.9% and 8.4% of contract revenues and income from operations, respectively, for the year then ended. Our audit of internal control over financial reporting of MYR Group Inc. also did not include an evaluation of the internal control over financial reporting of E.S. Boulos Company and High Country Line Construction, Inc.

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In our opinion, MYR Group Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of MYR Group Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2015 of MYR Group Inc. and our report dated March 3, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois

March 3, 2016

TABLE OF CONTENTS**MYR GROUP INC.****CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share data)	December 31,	
	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$39,797	\$77,636
Accounts receivable, net of allowances of \$376 and \$1,179, respectively	187,235	158,101
Costs and estimated earnings in excess of billings on uncompleted contracts	51,486	44,609
Deferred income tax assets		11,905
Receivable for insurance claims in excess of deductibles	11,290	12,311
Refundable income taxes	5,617	2,059
Other current assets	7,942	6,880
Total current assets	303,367	313,501
Property and equipment, net of accumulated depreciation of \$181,575 and \$147,956, respectively	160,678	148,654
Goodwill	47,124	46,599
Intangible assets, net of accumulated amortization of \$3,798 and \$3,227, respectively	11,362	9,865
Other assets	2,394	1,467
Total assets	\$524,925	\$520,086
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$73,300	\$62,247
Billings in excess of costs and estimated earnings on uncompleted contracts	40,614	38,121
Accrued self insurance	36,967	39,480
Other current liabilities	28,856	31,740
Total current liabilities	179,737	171,588
Deferred income tax liabilities	14,382	24,729
Other liabilities	926	1,216
Total liabilities	195,045	197,533
Commitments and contingencies		
Stockholders' equity		
Preferred stock \$0.01 par value per share; 4,000,000 authorized shares; none issued and outstanding at December 31, 2015 and December 31, 2014		
Common stock \$0.01 par value per share; 100,000,000 authorized shares; 19,969,347 and 20,791,623 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	198	206
Additional paid-in capital	161,342	151,111
Accumulated other comprehensive income	116	13
Retained earnings	168,224	171,223
Total stockholders' equity	329,880	322,553

Total liabilities and stockholders' equity	\$524,925	\$520,086
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The accompanying notes are an integral part of these Financial Statements.

5

TABLE OF CONTENTS

MYR GROUP INC.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME**

(in thousands, except per share data)	Year ended December 31,		
	2015	2014	2013
Contract revenues	\$ 1,061,681	\$ 943,967	\$ 902,729
Contract costs	939,340	811,553	777,852
Gross profit	122,341	132,414	124,877
Selling, general and administrative expenses	79,186	73,818	69,818
Amortization of intangible assets	571	334	335
Gain on sale of property and equipment	(2,257)	(142)	(893)
Income from operations	44,841	58,404	55,617
Other income (expense):			
Interest income	25		