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

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**FORM 11-K**

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(Mark one)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2014

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 1-8462

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A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**GRAHAM CORPORATION EMPLOYEE STOCK PURCHASE PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Graham Corporation  
20 Florence Avenue  
Batavia, New York 14020**

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**GRAHAM CORPORATION  
EMPLOYEE STOCK PURCHASE PLAN**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Plan Administrator  
Graham Corporation Employee Stock Purchase Plan

We have audited the accompanying statements of net assets available for benefits of the Graham Corporation Employee Stock Purchase Plan (the "Plan") as of March 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the periods ended March 31, 2014, 2013 and 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 net assets available for benefits of the Plan as of March 31, 2014 and 2013, and the changes in its net assets available for benefits for the periods ended March 31, 2014, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ EFP Rotenberg, LLP

EFP Rotenberg, LLP  
Rochester, New York  
June 9, 2014

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**GRAHAM CORPORATION**  
**EMPLOYEE STOCK PURCHASE PLAN**  
Batavia, New York

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

	At March 31,	
	2014	2013
<b>ASSETS</b>		
Cash and Cash Equivalents	<b>\$92,685</b>	<b>\$84,303</b>
<b>Total Assets</b>	<b>92,685</b>	<b>84,303</b>
<b>LIABILITIES</b>		
Payable to Participants	<b>92,685</b>	<b>84,303</b>
<b>Total Liabilities</b>	<b>92,685</b>	<b>84,303</b>
<b>Net Assets Available for Benefits</b>	<b>\$ 0</b>	<b>\$ 0</b>

See notes to the financial statements.

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**GRAHAM CORPORATION**  
**EMPLOYEE STOCK PURCHASE PLAN**  
Batavia, New York

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

	For the year ended March 31,		
	2014	2013	2012
<b>Additions to Net Assets</b>			
Employee Contributions	<u>\$325,114</u>	<u>\$296,047</u>	<u>\$316,870</u>
<b>Total Additions</b>	<u>325,114</u>	<u>296,047</u>	<u>316,870</u>
<b>Deductions from Net Assets</b>			
Cost of Shares Purchased	<u>316,732</u>	<u>297,113</u>	<u>329,916</u>
Payable to Participants	<u>92,685</u>	<u>84,303</u>	<u>85,369</u>
Prior Year Contributions Used for Current Year Share Purchase	<u>(84,303)</u>	<u>(85,369)</u>	<u>(98,415)</u>
<b>Total Deductions</b>	<u>325,114</u>	<u>296,047</u>	<u>316,870</u>
<b>Net Change in Net Assets</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets Available for Benefits – Beginning of Period	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Assets Available for Benefits – End of Period</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See notes to the financial statements.

**GRAHAM CORPORATION**  
**EMPLOYEE STOCK PURCHASE PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2014 AND 2013 AND FOR THE PERIODS ENDED**  
**MARCH 31, 2014, 2013 AND 2012**

**1. THE PLAN**

**ACCOUNTING PRINCIPLES** — The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America.

**General** — On July 29, 2010, Graham Corporation's (the "Company's") stockholders approved the Graham Corporation Employee Stock Purchase Plan (the "Plan"). The Plan's first offering period was from September 1, 2010 through December 31, 2010. The Plan Administrator believes the Plan meets the qualification standards of Section 423 of the Internal Revenue Code of 1986, as amended, pursuant to which the Plan is not subject to taxation. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

The Plan covers all the U.S.- based employees of the Company and U.S.- based employees of any future U.S. subsidiary of the Company.

**Contributions** — Participants may make contributions to the Plan through payroll deductions for the purpose of purchasing the Company's common stock. The Plan operates with separate consecutive six-month periods commencing January 1, and July 1, respectively. The Plan will continue to operate in this manner until such time as the Plan is amended or terminated (see Note 2).

**Share Purchase and Withdrawals** — Participants have the ability to purchase shares of the Company's common stock from the Company at 85% of its fair market value on the last or first business day of the six-month periods ending June 30 and December 31, respectively. If, prior to the end of any period, a participant elects to withdraw from the Plan or if a participant dies, retires or terminates employment for any reason, the Plan refunds any amounts withheld in that period plus any carryover from the previous period. Security transactions are accounted for as of the trade date. Participants of the Plan purchased 15,544, 18,769 and 19,080 shares of the Company's common stock during the periods ended March 31, 2014, 2013 and 2012, respectively. Under the Plan, 133,256 shares remain reserved for future issue. Refunds from participant withdrawals have not been significant. The maximum number of shares subject to the Plan is 200,000.

**Limitations** — Employees owning shares representing 5% or more of the total combined voting power or value of all classes of shares of the Company are not permitted to subscribe for any shares of Company common stock under the Plan. Additionally, participants are prohibited from purchasing shares through the Plan with an aggregate fair market value in excess of \$25,000 in any one calendar year. Participants are also subject to an annual share maximum purchase limit of 5,000 shares.

**Plan Administration** — All expenses for Plan administration are paid by the Company and are not reflected in the accompanying financial statements.

**GRAHAM CORPORATION  
EMPLOYEE STOCK PURCHASE PLAN**

**NOTES TO FINANCIAL STATEMENTS — (Continued)  
AS OF MARCH 31, 2014 AND 2013 AND FOR THE PERIODS ENDED  
MARCH 31, 2014, 2013 AND 2012**

**2. TERMINATION OF THE PLAN**

The Plan shall terminate at the earliest of the following:

- The purchase date that participants become entitled to purchase a number of shares greater than the number of shares remaining available for purchase under the Plan
- A date specified by the Company's Board of Directors in its sole discretion.

In the event of termination, all amounts in an employee's payroll deduction account that are not used to purchase Company common stock will be refunded to the participant.

**3. Plan Assets**

The Plan's cash is maintained by the Company on behalf of the Plan.

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities and Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Graham Corporation Employee Stock Purchase Plan

by: Graham Corporation, Plan Administrator

by: /s/ Jeffrey Glajch  
Vice President-Finance & Administration and  
Chief Financial Officer

Date: June 9, 2014



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[Exhibit Index](#)

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
23	Consent of Independent Registered Public Accounting Firm

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Graham Corporation  
20 Florence Avenue  
Batavia, New York 14020

We consent to the incorporation by reference in the Registration Statement (No. 333-169015) on Form S-8 of our report dated June 9, 2014, appearing in this Annual Report on Form 11-K of the Graham Corporation Employee Stock Purchase Plan for the year ended March 31, 2014.

/s/ EFP Rotenberg, LLP

EFP Rotenberg, LLP  
Rochester, New York  
June 9, 2014