Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 09/15/1951

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

THE HILLIARD CORPORATION

100 WEST FOURTH STREET
ELMIRA, NY 14901

2b Employer Identification Number (EIN) 16-0480520

2c Sponsor's telephone number 607-733-7121

2d Business code (see instructions) 336990

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2013	LOIS PLACE
	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. (optional)
KATHERINE E. STICKLER

MENGEL, METZGER, BARR & CO. LLP

333 EAST WATER ST, STE 200
ELMIRA, NY 14901

Preparer's telephone number (optional) 607-734-4183

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	500
6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a Active participants	**6a**	465
b Retired or separated participants receiving benefits	**6b**	74
c Other retired or separated participants entitled to future benefits	**6c**	9
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	548
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	14
f Total. Add lines **6d** and **6e**	**6f**	562
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
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:
1B 1G

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

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
THE HILLIARD CORPORATION

D Employer Identification Number (EIN)
16-0480520

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2012			
2	Assets:			
	a Market value	2a		12745020
	b Actuarial value	2b		13607398
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	90	7219419
	b For terminated vested participants	3b	11	137591
	c For active participants:			
	(1) Non-vested benefits	3c(1)		519907
	(2) Vested benefits	3c(2)		4873381
	(3) Total active	3c(3)	420	5393288
	d Total	3d	521	12750298
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions	4a		
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		7.14 %
6	Target normal cost	6		595587

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary	09/13/2013 Date
JEFFREY C. ROSE Type or print name of actuary	11-03579 Most recent enrollment number
BUCK CONSULTANTS, LLC Firm name	260-426-7800 Telephone number (including area code)
110 WEST BERRY STREET, SUITE 1300 FORT WAYNE, IN 46802-2317 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	806072
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)		806072
10	Interest on line 9 using prior year's actual return of -5.15%		-41513
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		825316
b	Interest on (a) using prior year's effective interest rate of 6.35% except as otherwise provided (see instructions)		52408
c	Total available at beginning of current plan year to add to prefunding balance		877724
d	Portion of (c) to be added to prefunding balance		877724
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1642283

Part III Funding Percentages

14	Funding target attainment percentage	14	93.84 %
15	Adjusted funding target attainment percentage	15	106.72 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/12/2012	287514				
07/11/2012	287514				
10/15/2012	287514				
12/28/2012	287514				
07/30/2013	450000				
			Totals ► 18(b)	1600056	18(c)

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	1503938

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.54%	6.85%	7.52 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	595587
b Excess assets, if applicable, but not greater than line 31a	**31b**	

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	785183	271205
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	866792

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1	1

36 Additional cash requirement (line 34 minus line 35)	**36**	866791
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	1503938

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	637147
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	1
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2012** **This Form is Open to Public Inspection.**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE HILLIARD CORPORATION

D Employer Identification Number (EIN)
16-0480520

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

CHEMUNG CANAL TRUST COMPANY

ONE CHEMUNG CANAL PLAZA
ELMIRA, NY 14901

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	49918	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

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

BUCK CONSULTANTS

110 WEST BERRY STREET, SUITE 1300
FORT WAYNE, IN 46802-2317

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	30691	Yes [ ] No [X]	Yes [ ] No [X]		Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE HILLIARD CORPORATION

D Employer Identification Number (EIN)
16-0480520

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	9469	18871
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	27103	26607
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2765978	612975
(2) U.S. Government securities	1c(2)	417999	724765
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	1398810	1400260
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	7061673	8620587
(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)	1056987	2869394
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(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	12738019	14273459
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	86854	22745
k Total liabilities (add all amounts in lines 1g through1j)	1k	86854	22745
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	12651165	14250714

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)	1150056	
(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)		1150056
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3222	
(B) U.S. Government securities	2b(1)(B)	13016	
(C) Corporate debt instruments	2b(1)(C)	47656	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	7500	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		71394
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	176489	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	69520	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		246009
(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)		
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	815233	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		815233

		(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)		236942
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		2519634
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	801892	
(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)		801892
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)	68275	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	49918	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		118193
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		920085
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1599549
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: MENGEL, METZGER, BARR & CO., LLP. **(2)** EIN: 16-1092347

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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)

Part V Trust Information (optional)

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
THE HILLIARD CORPORATION

D Employer Identification Number (EIN)
16-0480520

Part I Distributions

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

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

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): _____ _____

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** 6

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES

ELMIRA, NEW YORK

FINANCIAL STATEMENTS

SUPPLEMENTAL SCHEDULES

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2012 AND 2011



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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MENGEL METZGER BARR & CO. LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Pension Committee
The Hilliard Corporation Pension Plan
for Non-Salaried Employees

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Hilliard Corporation Pension Plan for Non-Salaried Employees, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended December 31, 2012 and 2011, 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note H, which was certified by Chemung Canal Trust Company, the trustee of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee is complete and accurate according to the best of their knowledge and belief.

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Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets held for investment purposes at end of year - December 31, 2012 and schedule of reportable transactions – year ended December 31, 2012 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Mengel, Metzger, Barr & Co. LLP

Elmira, New York
September 17, 2013

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THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2012	December 31, 2011
ASSETS		
Investments, at fair value:		
Corporate bonds	$ 1,400,260	$ 1,398,810
Corporate stocks	8,620,587	7,061,673
Government securities	724,765	417,999
Mutual funds	2,869,394	1,056,987
Money market	612,975	2,765,978
	14,227,981	12,701,447
Receivables:		
Accrued income	26,607	27,103
Cash	18,871	9,469
TOTAL ASSETS	14,273,459	12,738,019
LIABILITY		
Accounts payable	22,745	86,854
NET ASSETS AVAILABLE FOR BENEFITS	$ 14,250,714	$ 12,651,165

See accompanying independent auditor's report and notes to financial statements.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year ended December 31,	
	2012	2011
ADDITIONS		
Additions to net assets attributed to:		
Investment income:		
Interest and dividends	$ 317,403	$ 275,010
Net appreciation (depreciation) in fair value of investments	1,052,175	(906,837)
	1,369,578	(631,827)
Contributions	1,150,056	2,497,252
TOTAL ADDITIONS	2,519,634	1,865,425
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefit payments	801,892	785,025
Administrative fees	118,193	126,338
TOTAL DEDUCTIONS	920,085	911,363
NET INCREASE	1,599,549	954,062
Net assets available for benefits at beginning of year	12,651,165	11,697,103
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 14,250,714	$ 12,651,165

See accompanying independent auditor's report and notes to financial statements.

NOTE A: DESCRIPTION OF THE PLAN

The following description of The Hilliard Corporation Pension Plan for Non-Salaried Employees (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a non-contributory defined benefit plan which covers substantially all non-salaried employees of The Hilliard Corporation (the "Company") and provides for pension and disability benefits. The Plan is subject to the provision of the Employee Retirement Income Security Act of 1974 (ERISA).

Vesting and benefits

Non-salaried employees are eligible to become a plan participant on the date of employment. Full vesting occurs after completion of five years of vesting service. The Plan provides for normal retirement benefits upon attaining age 65 and has provisions for early retirement, death and disability benefits for those participants who are eligible to receive such benefits. Benefits are determined based upon average compensation, years of credited service and other provisions, as provided for in the Plan.

Funding

The Company has agreed to voluntarily contribute such amounts as are necessary to provide assets sufficient to pay the benefits to Plan members required to be paid under the provisions of the Plan. The Company makes annual contributions in amounts sufficient to fund the Plan's current service cost plus amortization of the actuarial accrued surplus over a period of 10 years, up to the maximum amount allowable for tax purposes. The Plan has met the ERISA minimum funding requirements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Valuation of investments and income recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note C for further discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

Actuarial present value of accumulated plan benefits

Accumulated plan benefits (see Note E) are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employees' compensation and years of credited service. The accumulated plan benefits for active employees are based on their compensation and years of credited service to the valuation date. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Payment of benefits

Benefits are recorded when paid.

Administrative expenses

Eligible administrative expenses are paid by the Plan. Certain expenses are paid by the plan sponsor.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates and assumptions.

Subsequent events

The Plan has conducted an evaluation of potential subsequent events occurring after the date of the statement of net assets available for benefits through September 17, 2013, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

NOTE C: FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America provide a framework for measuring fair value. That framework 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 Measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Money Market: Fair value equals cost.

Corporate Bonds, Corporate Stocks, Government Securities and Mutual Funds: Fair value is based on quoted prices for identical assets in active markets.

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, while 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.

NOTE C: FAIR VALUE MEASUREMENTS, Cont'd

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

	Level 1	Level 2	Level 3	Total
December 31, 2012				
Money market	$ 612,975	$ -	$ -	$ 612,975
Publicly-traded common stock:				
Financial	1,389,632	-	-	1,389,632
Healthcare	1,066,052	-	-	1,066,052
Basic materials	430,884	-	-	430,884
Technology	2,041,543	-	-	2,041,543
Consumer goods	1,994,699	-	-	1,994,699
Industrial goods	918,209	-	-	918,209
Energy	538,689	-	-	538,689
Foreign stock	240,879	-	-	240,879
Total publicly-traded common stock	8,620,587	-	-	8,620,587
Mutual Funds:				
International stock funds	395,344	-	-	395,344
Fixed income funds	1,779,791			1,779,791
Alternative asset fund	694,259	-	-	694,259
Total mutual funds	2,869,394	-	-	2,869,394
Fixed income securities:				
U.S. Treasury securities	724,765	-	-	724,765
Corporate bonds	1,185,148	-	-	1,185,148
Foreign bond	215,112	-	-	215,112
Total fixed income securities	2,125,025	-	-	2,125,025
Total assets at fair value	$ 14,227,981	$ -	$ -	$ 14,227,981

NOTE C: FAIR VALUE MEASUREMENTS, Cont'd

	Level 1	Level 2	Level 3	Total
December 31, 2011				
Money market	$ 2,765,978	$ -	$ -	$ 2,765,978
Publicly-traded common stock:				
Financial	813,238	-	-	813,238
Healthcare	724,616	-	-	724,616
Basic materials	377,761	-	-	377,761
Technology	1,662,074	-	-	1,662,074
Consumer goods	1,937,555	-	-	1,937,555
Industrial goods	614,500	-	-	614,500
Energy	661,628	-	-	661,628
Foreign stock	270,301	-	-	270,301
Total publicly-traded common stock	7,061,673	-	-	7,061,673
Mutual Funds:				
International stock funds	332,814	-	-	332,814
Fixed income funds	724,173	-	-	724,173
Total mutual funds	1,056,987	-	-	1,056,987
Fixed income securities:				
U.S. Treasury securities	417,999	-	-	417,999
Corporate bonds	1,184,384	-	-	1,184,384
Foreign bond	214,426	-	-	214,426
Total fixed income securities	1,816,809	-	-	1,816,809
Total assets at fair value	$ 12,701,447	$ -	$ -	$ 12,701,447

NOTE D: INVESTMENTS

The following presents the fair value of investments and the net appreciation (depreciation) in fair value as determined by Chemung Canal Trust Company. Investments that represent 5% or more of the Plan's net assets available for benefits at either December 31, 2012 or 2011 are separately identified:

	2012		2011	
	Net appreciation (depreciation) in fair value during the year	Fair value at end of year	Net (depreciation) appreciation in fair value during the year	Fair value at end of year
Corporate bonds	$ 2,259	$ 1,400,260	$ 12,639	$ 1,398,810
Corporate stocks	923,798	8,620,587	(795,347)	7,061,673
Government securities	15,622	724,765	8,983	417,999
Mutual funds:				
Vanguard S/T Invest Gr-Adm	(3,680)	996,320	-	-
Other mutual funds	114,176	1,873,074	(133,112)	1,056,987
Money Market:				
Prime Obligations Fund	-	612,975	-	2,765,978
	$ 1,052,175	$ 14,227,981	$ (906,837)	$ 12,701,447

NOTE E: ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The Plan's consulting actuaries estimated the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information as of the beginning of each plan year is as follows:

	January 1,	
	2012	2011
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	$ 6,632,956	$ 6,549,255
Other participants	4,383,351	3,801,649
	11,016,307	10,350,904
Nonvested benefits	555,800	669,769
	$ 11,572,107	$ 11,020,673

NOTE E: ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS, Cont'd

Changes in accumulated plan benefits are as follows:

	January 1, 2012	January 1, 2011
Actuarial present value of accumulated plan benefits at beginning of year	$ 11,020,673	$ 9,723,169
Increase (decrease) during the year attributable to:		
Plan amendments	-	463,355
Benefits accumulated and other	408,881	807,916
Decrease in discount period (interest cost)	852,539	748,759
Benefits paid	(742,148)	(741,636)
Assumption changes	32,162	19,110
Net increase	551,434	1,297,504
Actuarial present value of accumulated plan benefits at end of year	$ 11,572,107	$ 11,020,673

Significant assumptions underlying the actuarial computations are as follows:

Assumed rate of return on investments	8% per year
Discount rate	2012 - 5.06% 2011 - 6.06%
Compensation increases	2012 - 4.5% per year 2011 - 5.5% per year
Mortality basis	Mortality tables mandated by PPA as specified in IRS Reg. Section 1-430(h)(3)-1, applied on a static basis, using the blended annuitants/non-annuitant table applicable to small plans.
Retirement rates	Based on actuarial tables and experience

The minimum pension benefit level increased from $40 per year of credited service for participants retiring between September 1, 2010 and August 31, 2012, to $41 per year of credited service for participants retiring between September 1, 2012 and August 31, 2013.

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors would be applicable in determining the actuarial present value of accumulated plan benefits.

NOTE F: TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated July 3, 2001, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to December 31, 2009.

NOTE G: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in the order of priority determined in accordance with ERISA, applicable regulations thereunder, and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during calendar 2012, the ceiling was $4,653 per month. The ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elected to receive their benefits in some form other than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

NOTE H: FINANCIAL INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements and supplemental schedules, that were prepared by Chemung Canal Trust Company, the trustee of the Plan, and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that such information is complete and accurate according to the best of their knowledge and belief:

	December 31,	
	2012	2011
Investments, at fair value	$ 14,227,981	$ 12,701,447
Accrued income receivable	26,607	27,103
Investment income:		
Interest and dividends	317,403	275,010
Net appreciation (depreciation) in fair value of investments	1,052,175	(906,837)

All information in the attached Schedule of Assets Held for Investment Purposes at End of Year - December 31, 2012 and Schedule of Reportable Transactions - Year Ended December 31, 2012.

NOTE I: RISKS AND UNCERTAINTIES

The Plan invests in various types of investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to the uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the accompanying financial statements.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES

SUPPLEMENTAL SCHEDULES

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR - DECEMBER 31, 2012

	(b) & (c) Identity of issue, borrower, lessor or similar party, and description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Par	Corporate Bonds		
250,000	Altria Group Inc., 4.125%, due September 11, 2015	$ 250,015	$ 271,363
100,000	Berkshire Hathaway Inc., 4.625%, due October 15, 2013	100,015	103,158
50,000	Colgate-Palmolive Co., 4.2%, due May 15, 2013	50,515	50,736
50,000	Hewlett-Packard Co, 4.75%, due June 2, 2014	50,069	52,120
50,000	HSBC Finance Corp., 4.75%, due July 15, 2013	48,865	51,043
100,000	JP Morgan Chase & Co., 2.6%, due January 15, 2016	99,191	103,957
250,000	Lowes Companies Inc., 5.4%, due October 15, 2016	254,640	290,572
150,000	Ryder System Inc, 3.15%, due March 2, 2015	152,595	154,920
100,000	Wells Fargo & Co., 5%, due November 15, 2014	103,050	107,279
200,000	Potash Corp. - Saskatchewan, 3.75%, due September 30, 2015	203,305	215,112
	TOTAL CORPORATE BONDS	1,312,260	1,400,260
Shares	Corporate Stocks		
2,310	Allergan Inc.	200,810	211,896
2,950	American Express	134,930	169,566
450	Apple Inc.	265,947	239,478
14,280	Applied Materials	194,069	163,363
30,080	Bank of America Corp.	258,169	349,229
4,030	Boeing	298,027	303,701
1,420	Chevron Corporation	122,762	153,559
13,490	Cisco	263,441	265,070
5,610	Coca Cola	170,172	203,363
1,370	Colgate Palmolive	118,306	143,220
7,200	Corning Inc.	129,599	90,864
10,880	Dr Horton Inc.	142,406	215,206
7,710	EMC Corp.	152,510	195,063
3,470	Emerson Electric	154,625	183,771
15,660	Enzo Biochem	155,756	42,282
1,670	Exxon Mobil Corp.	135,680	144,538
38,320	Ford Motor Company	479,183	496,244
	Balance forward	3,376,392	3,570,413

Note: Column (a) is not applicable.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR - DECEMBER 31, 2012, Cont'd

Shares	(b) & (c) Identity of issue, borrower, lessor or similar party, and description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate Stocks		
	Balance forward	$ 3,376,392	$ 3,570,413
4,370	Freeport McMoran Copper & Gold	142,012	149,454
10,050	General Electric	170,066	210,950
6,840	Hewlett-Packard	85,078	97,470
9,610	Hologic Inc.	200,569	192,297
3,930	Home Depot	114,057	243,070
8,630	Intel Corp.	193,153	177,951
5,170	JP Morgan Chase & Company	201,735	227,320
2,490	Johnson & Johnson	154,788	174,549
2,130	M&T Bank Corp.	177,849	209,741
3,850	Merck & Co., Inc.	131,476	157,619
7,675	Microsoft	180,741	204,997
3,520	National Oilwell Varco Inc.	145,675	240,592
2,430	Pepsico	148,201	166,285
11,460	Pfizer	209,904	287,409
1,890	Proctor & Gamble	108,849	128,312
4,060	Qualcomm Inc.	212,624	251,150
6,360	Sandisk Corp.	279,664	276,660
15,430	Sigma Designs Inc.	214,164	79,477
6,580	Toll Brothers Inc.	153,123	212,731
2,380	The Travelers Companies	136,284	170,932
11,800	United States Steel Corp.	328,200	281,430
2,680	United Technologies	143,630	219,787
2,730	Wal-Mart Stores Inc.	145,128	186,268
7,690	Wells Fargo Company	238,791	262,844
3,760	Suncor Energy Inc.	128,839	124,005
3,130	Teva Pharmaceutival - SP ADR	140,284	116,874
	TOTAL CORPORATE STOCKS	7,861,276	8,620,587

Note: Column (a) is not applicable.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR - DECEMBER 31, 2012, Cont'd

	(b) & (c) Identity of issue, borrower, lessor or similar party, and description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Par	Government Securities		
248,912	U.S. Treasury Inflation Index DTD, 2%, due January 15, 2014	245,708	258,382
150,000	U.S. Treasury N/B DTD, 2.25%, due January 31, 2015	149,241	156,141
300,000	U.S. Treasury N/B DTD, 2%, due February 15, 2022	291,144	310,242
	TOTAL GOVERNMENT SECURITIES	686,093	724,765
Shares	Mutual Funds		
85,179	Loomis Sayles Inst High Inc.	500,000	636,286
91,996	Vanguard S/T Invest Gr-Adm	1,000,000	996,320
17,194	Wells Fargo Ult ST Inc. - Ins	161,800	147,185
2,254	Allianz NACM Intl Grw	83,299	72,903
5,064	Artisan International Fund - Int	99,479	124,524
3,047	Dodge & Cox Intl Stock Fund	112,923	105,540
8,082	GMO Foreign Fund III	138,911	92,377
47,979	John Hancock II-Alt A/A-I	701,910	694,259
	TOTAL MUTUAL FUNDS	2,798,322	2,869,394
Shares	Money Market		
612,975	Prime Obligations Fund	612,975	612,975
	TOTAL MONEY MARKET	612,975	612,975
	TOTAL INVESTMENTS	$ 13,270,926	$ 14,227,981

Note: Column (a) is not applicable.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2012

Reportable transactions are transactions or a series of transactions in excess of 5% of the current value of the Plan assets as of January 1, 2012 as defined in Section 2520.103-6 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

(a) Identity of party involved	(b) Description of asset (including interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Individual transactions						
John Hancock II-ALT A/A-I	Purchase of 47,846.89 shares	$ 700,000	$ -	$ 700,000	$ 700,000	$ -
Vanguard S/T Invest Gr-Admin	Purchase of 91,996.32 shares	1,000,000	-	1,000,000	1,000,000	-

Note: Columns (e) and (f) are not applicable.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Summary of Plan Provisions

Effective Date

September 15, 1951.

Covered Employees

All non-salaried employees.

Eligibility for Participation

Date of employment.

Vesting Service

Hours of Service	Vesting Service
Less than 400	0
400 – 599	¼ year
600 – 799	½ year
800 – 999	¾ year
1000 or more	1 full year

Credited Service

Hours of Service	Credited Service
Less than 400	0
400 – 599	¼ year
600 – 799	½ year
800 – 999	¾ year
1000 or more	1 full year

Compensation

Including bonuses, overtime, commissions and production premiums.

The compensation limit increased to $250,000 for the 2012 and subsequent plan years.

Actuarial Equivalent

The determination of actuarially equivalent annuity benefits is based on the mortality table prescribed by the Secretary of the Treasury under Section 417(e)(3)(A)(ii)(I) of the Code, and interest at the rate of 8.00% per annum.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Summary of Plan Provisions

Normal Retirement Pension

Eligibility

Age 65.

Basic Monthly Benefit

.625% of the first $300 of monthly compensation plus 1% of such compensation in excess of $300 for each year of credited service.

The minimum benefit is shown below:

Retirement Occurs on or after	Benefit Unit per Year of Credited Service
September 15, 2006	$36.00
September 15, 2007	$37.00
September 1, 2010	$40.00
September 1, 2012	$41.00
September 1, 2013	$42.00

Early Retirement Pension

Eligibility

Age 55 and 15 years of credited service or age plus credited service equals at least 85 (Rule of 85).

Benefit

The accrued benefit reduced by .25% for each month actual retirement precedes the normal retirement date in the case of those meeting the age 55 and 15 years of credited service requirement. The accrued benefit is not reduced for the Rule of 85.

Disability Retirement Pension

Eligibility

20 years of credited service or age 50 and 15 years of credited service. There is a six month waiting period before benefits may commence. The participant must be receiving Social Security disability benefits.

Benefit

The accrued benefit at the date of disability, payable until retirement, death, or recovery. The minimum disability benefit is $50 per month. The benefit is reduced by worker's compensation benefits. The benefit is not payable if the participant is receiving benefits under the company's long-term disability program.

Deferred Vested Pension

Eligibility

5 years of vesting service.

Benefit

The accrued benefit deferred to age 65, or reduced pension at age 55 after 15 years of credited service, or at age 40 after 10 years of credited service. Reduction is actuarial equivalent.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Summary of Plan Provisions

Spouse's Benefit

(1) Eligibility

Age 55 and 15 years of credited service or Rule of 85.

May elect either (A) or (B):

Benefit

(A) Reduced qualified joint and 50% survivor annuity payable at date of death. Subsidized early retirement factors if death from active employment status and unsubsidized early retirement factors if death from terminated vested status.

(B) The accrued benefit reduced for early commencement, payable while the surviving spouse is living and unmarried, for a maximum period of 60 months. Subsidized early retirement factors if death from active employment status and unsubsidized early retirement factors if death from terminated vested status.

If the present value of the elected benefit is less than $30,000, then the spouse may elect to receive the present value of the elected benefit in a single lump sum payment.

(2) Eligibility

5 years of vesting service.

Benefit

Reduced qualified joint and 50% survivor annuity payable at the participant's earliest retirement date or at the date of death, if later. Subsidized early retirement factors if death from active employment status and unsubsidized early retirement factors if death from terminated vested status.

If the present value of the elected benefit is less than $30,000, then the spouse may elect to receive the present value of the elected benefit in a single lump sum payment.

Postretirement Death Benefit

Eligibility

Age 55 and 15 years of credited service or Rule of 85 and elected a life annuity and dies prior to receiving 60 monthly payments. Surviving spouse remains unmarried.

Benefit

Monthly benefit as determined payable to the participant for 60 months less number of payments received by the deceased.

Normal Form of Payment

Single

Life annuity.

Married

A reduced qualified joint and 50% survivor annuity.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Summary of Plan Provisions

Optional Forms of Payment

(1) Life annuity.
(2) 50% joint and survivor annuity.
(3) 75% joint and survivor annuity.
(4) 100% joint and survivor annuity.
(5) Lump sum under $30,000.

Contributions

Noncontributory.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR - DECEMBER 31, 2012

	(b) & (c) Identity of issue, borrower, lessor or similar party, and description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Par	Corporate Bonds		
250,000	Altria Group Inc., 4.125%, due September 11, 2015	$ 250,015	$ 271,363
100,000	Berkshire Hathaway Inc., 4.625%, due October 15, 2013	100,015	103,158
50,000	Colgate-Palmolive Co., 4.2%, due May 15, 2013	50,515	50,736
50,000	Hewlett-Packard Co, 4.75%, due June 2, 2014	50,069	52,120
50,000	HSBC Finance Corp., 4.75%, due July 15, 2013	48,865	51,043
100,000	JP Morgan Chase & Co., 2.6%, due January 15, 2016	99,191	103,957
250,000	Lowes Companies Inc., 5.4%, due October 15, 2016	254,640	290,572
150,000	Ryder System Inc, 3.15%, due March 2, 2015	152,595	154,920
100,000	Wells Fargo & Co., 5%, due November 15, 2014	103,050	107,279
200,000	Potash Corp. - Saskatchewan, 3.75%, due September 30, 2015	203,305	215,112
	TOTAL CORPORATE BONDS	1,312,260	1,400,260
Shares	Corporate Stocks		
2,310	Allergan Inc.	200,810	211,896
2,950	American Express	134,930	169,566
450	Apple Inc.	265,947	239,478
14,280	Applied Materials	194,069	163,363
30,080	Bank of America Corp.	258,169	349,229
4,030	Boeing	298,027	303,701
1,420	Chevron Corporation	122,762	153,559
13,490	Cisco	263,441	265,070
5,610	Coca Cola	170,172	203,363
1,370	Colgate Palmolive	118,306	143,220
7,200	Corning Inc.	129,599	90,864
10,880	Dr Horton Inc.	142,406	215,206
7,710	EMC Corp.	152,510	195,063
3,470	Emerson Electric	154,625	183,771
15,660	Enzo Biochem	155,756	42,282
1,670	Exxon Mobil Corp.	135,680	144,538
38,320	Ford Motor Company	479,183	496,244
	Balance forward	3,376,392	3,570,413

Note: Column (a) is not applicable.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR - DECEMBER 31, 2012, Cont'd

Shares	(b) & (c) Identity of issue, borrower, lessor or similar party, and description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate Stocks		
	Balance forward	$ 3,376,392	$ 3,570,413
4,370	Freeport McMoran Copper & Gold	142,012	149,454
10,050	General Electric	170,066	210,950
6,840	Hewlett-Packard	85,078	97,470
9,610	Hologic Inc.	200,569	192,297
3,930	Home Depot	114,057	243,070
8,630	Intel Corp.	193,153	177,951
5,170	JP Morgan Chase & Company	201,735	227,320
2,490	Johnson & Johnson	154,788	174,549
2,130	M&T Bank Corp.	177,849	209,741
3,850	Merck & Co., Inc.	131,476	157,619
7,675	Microsoft	180,741	204,997
3,520	National Oilwell Varco Inc.	145,675	240,592
2,430	Pepsico	148,201	166,285
11,460	Pfizer	209,904	287,409
1,890	Proctor & Gamble	108,849	128,312
4,060	Qualcomm Inc.	212,624	251,150
6,360	Sandisk Corp.	279,664	276,660
15,430	Sigma Designs Inc.	214,164	79,477
6,580	Toll Brothers Inc.	153,123	212,731
2,380	The Travelers Companies	136,284	170,932
11,800	United States Steel Corp.	328,200	281,430
2,680	United Technologies	143,630	219,787
2,730	Wal-Mart Stores Inc.	145,128	186,268
7,690	Wells Fargo Company	238,791	262,844
3,760	Suncor Energy Inc.	128,839	124,005
3,130	Teva Pharmaceutival - SP ADR	140,284	116,874
	TOTAL CORPORATE STOCKS	7,861,276	8,620,587

Note: Column (a) is not applicable.

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AT END OF YEAR - DECEMBER 31, 2012, Cont'd

	(b) & (c) Identity of issue, borrower, lessor or similar party, and description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Par	Government Securities		
248,912	U.S. Treasury Inflation Index DTD, 2%, due January 15, 2014	245,708	258,382
150,000	U.S. Treasury N/B DTD, 2.25%, due January 31, 2015	149,241	156,141
300,000	U.S. Treasury N/B DTD, 2%, due February 15, 2022	291,144	310,242
	TOTAL GOVERNMENT SECURITIES	686,093	724,765
Shares	Mutual Funds		
85,179	Loomis Sayles Inst High Inc.	500,000	636,286
91,996	Vanguard S/T Invest Gr-Adm	1,000,000	996,320
17,194	Wells Fargo Ult ST Inc. - Ins	161,800	147,185
2,254	Allianz NACM Intl Grw	83,299	72,903
5,064	Artisan International Fund - Int	99,479	124,524
3,047	Dodge & Cox Intl Stock Fund	112,923	105,540
8,082	GMO Foreign Fund III	138,911	92,377
47,979	John Hancock II-Alt A/A-I	701,910	694,259
	TOTAL MUTUAL FUNDS	2,798,322	2,869,394
Shares	Money Market		
612,975	Prime Obligations Fund	612,975	612,975
	TOTAL MONEY MARKET	612,975	612,975
	TOTAL INVESTMENTS	$ 13,270,926	$ 14,227,981

Note: Column (a) is not applicable.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN / PN: 16-0480520 / 002

Schedule SB, line 26 - Schedule of Active Participant Data

	BENEFIT SERVICE										
AGE	**Under 1**	**1 - 4**	**5 - 9**	**10 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40+**	**Total**
Under 25	5	16	9	0	0	0	0	0	0	0	30
25 - 29	5	18	17	0	0	0	0	0	0	0	40
30 - 34	5	13	32	15	0	0	0	0	0	0	65
35 - 39	3	19	28	14	5	0	0	0	0	0	69
40 - 44	1	9	16	16	4	9	0	0	0	0	55
45 - 49	1	6	19	15	4	6	2	0	0	0	53
50 - 54	5	5	13	16	1	10	1	0	0	0	51
55 - 59	0	7	10	8	4	8	1	0	0	0	38
60 - 64	0	3	4	6	2	2	0	0	0	0	17
65 - 69	0	0	1	0	0	1	0	0	0	0	2
70+	0	0	0	0	0	0	0	0	0	0	0
Total	25	96	149	90	20	36	4	0	0	0	420

Includes participants on leave of absence and transferred participants.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Prescribed Funding Assumptions and Methods

Funding interest rates

Current Year:	Segment Rates with four month lookback:	
	First Segment Rate	2.06%
	Second Segment Rate	5.25%
	Third Segment Rate	6.32%

In accordance with MAP-21, the first, second and third Segment Rates are constrained to a 90%-110% Corridor around the average Segment Rates for the 25-year period ending September 30, 2011, or 5.54%, 6.85%, and 7.52%, respectively for minimum funding and benefit restrictions but not for maximum tax-deductible purposes.

	Effective Interest Rate	7.14%

Prior Year:	Segment Rates with four month lookback:	
	First Segment Rate	3.78%
	Second Segment Rate	6.31%
	Third Segment Rate	6.57%
	Effective Interest Rate	6.35%

Mortality

Non-disabled:

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Disabled:

Revenue Ruling 96-7 disabled mortality for males and females.

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Non-Prescribed Funding Assumptions and Methods

Salary increase assumption

5.00% increase per annum.

Expenses

Expected plan related expenses of $117,963 were added to the Target Normal Cost.

Frequency of optional payment forms

20% of future retirees, disabilities and terminations are assumed to take a life annuity. Those who are assumed not to take a life annuity are assumed to take a Joint and Survivor 50% option.

Marital percentage

80% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Mortality table

The mortality table is applied on a static basis. Separate annuitant and nonannuitant tables were used.

Retirement assumption

Year Age	2012-2015	2016-2023	2024-2037	2038+
62	49%			
63	10%	54%		
64	10%	10%	59%	
65	95%	95%	95%	98%
66	95%	95%	95%	95%
67	95%	95%	95%	95%
68	95%	95%	95%	95%
69	95%	95%	95%	95%
70	100%	100%	100%	100%

Terminated vested participants are assumed to retire at age 60.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Non-Prescribed Funding Assumptions and Methods

Disability rates

Age	Male	Female
20	0.02%	0.02%
25	0.02%	0.03%
30	0.02%	0.03%
35	0.03%	0.04%
40	0.04%	0.05%
45	0.05%	0.08%
50	0.09%	0.13%
55	0.18%	0.25%
60	0.45%	0.61%
65+	0.00%	0.00%

Withdrawal rates[1]

Age	Rates
20	7.94%
25	7.72%
30	7.22%
35	6.28%
40	5.15%
45	3.98%
50	2.56%
55	0.94%
60	0.09%
65+	0.00%

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the of the gain/(loss) in the prior two years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

[1] For active participants not eligible for retirement.

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Non-Prescribed Funding Assumptions and Methods

The expected return on plan assets is 8.00% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2011 measurement period:	6.57%
2010 measurement period:	6.76%

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN / PN: 16-0480520 / 002

Schedule SB, line 32 - Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments as of January 1, 2012	Date Established	Remaining Installments	Shortfall Amortization Installment
Shortfall	($1,432,108)	1/1/2012	7	($243,064)
Shortfall	$1,460,686	1/1/2011	6	$279,829
Shortfall	$419,502	1/1/2010	5	$93,183
Shortfall	($281,600)	1/1/2009	4	($76,192)
Shortfall	$618,703	1/1/2008	3	$217,449

The Hilliard Corporation Pension Plan for Non-Salaried Employees

EIN/PN: 16-0480520 / 002

Schedule SB, line 24 – Change in Actuarial Assumptions

The expense load added to Target Normal Cost was updated from $158,067 to $117,963.

The salary increase assumption changed from a 6.00% increase per annum to a 5.00% increase per annum.

The assumed age at which terminated vested participants commence their retirement benefit was changed from age 65 to age 60.

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ Complete all entries in accordance with the instructions to the Form 5500.

OMB Nos. 1210 - 0110
1210 - 0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) _____

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

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

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

Part II Basic Plan Information - enter all requested information

1a Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 09/15/1951

2a Plan sponsor's name and address, include room or suite number (employer, if for a single-employer plan)

THE HILLIARD CORPORATION

100 WEST FOURTH STREET

ELMIRA NY 14901

2b Employer Identification Number (EIN) 16-0480520

2c Sponsor's telephone number 607-733-7121

2d Business code (see instructions) 336990

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	Lois Place	10/14/2013	LOIS PLACE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Gene Ebbrecht	10/14/2013	GENE EBBRECHT
	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. (optional)

KATHERINE E. STICKLER
MENGEL, METZGER, BARR & CO. LLP
333 EAST WATER ST, STE 200
ELMIRA NY 14901

Preparer's telephone number (optional) 607-734-4183

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☒ Same as Plan Sponsor Address	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	500
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		
a Active participants	6a	465
b Retired or separated participants receiving benefits	6b	74
c Other retired or separated participants entitled to future benefits	6c	9
d Subtotal. Add lines 6a, 6b, and 6c	6d	548
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	14
f Total. Add lines 6d and 6e	6f	562
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	2
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:
1B 1G

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	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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) ☐ A (Insurance Information)
	(4) ☒ C (Service Provider Information)
(3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(5) ☐ D (DFE/Participating Plan Information)
	(6) ☐ G (Financial Transaction Schedules)

THE HILLIARD CORPORATION PENSION PLAN
FOR NON-SALARIED EMPLOYEES
E.I.N.: 16-0480520
PLAN NUMBER: 002

FORM 5500 – SCHEDULE H – PART IV

ITEM 4j – SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2012

Reportable transactions are transactions or a series of transactions in excess of 5% of the current value of the Plan assets as of January 1, 2012 as defined in Section 2520.103-6 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

(a) Identity of party involved	(b) Description of asset (including interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Individual transactions						
John Hancock II-ALT A/A-I	Purchase of 47,846.89 shares	$ 700,000	$ -	$ 700,000	$ 700,000	$ -
Vanguard S/T Invest Gr-Admin	Purchase of 91,996.32 shares	1,000,000	-	1,000,000	1,000,000	-

Note: Columns (e) and (f) are not applicable.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
THE HILLIARD CORPORATION PENSION PLAN FOR NON-SALARIED EMPLOYEES

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
THE HILLIARD CORPORATION

D Employer Identification Number (EIN)
16-0480520

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2012

2	Assets:			
	a Market value		**2a**	12745020
	b Actuarial value		**2b**	13607398
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	90	7219419
	b For terminated vested participants	**3b**	11	137591
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		519907
	(2) Vested benefits	**3c(2)**		4873381
	(3) Total active	**3c(3)**	420	5393288
	d Total	**3d**	521	12750298
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	7.14%
6	Target normal cost		**6**	595587

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE JEFFREY C. ROSE — Signature of actuary

September 13, 2013 — Date

JEFFREY C. ROSE — Type or print name of actuary

1103579 — Most recent enrollment number

BUCK CONSULTANTS, LLC — Firm name

260-426-7800 — Telephone number (including area code)

110 WEST BERRY STREET, SUITE 1300
FORT WAYNE IN 46802-2317
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	806072
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	806072
10	Interest on line 9 using prior year's actual return of -5.15%	0	-41513
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		825316
	b Interest on (a) using prior year's effective interest rate of 6.35% except as otherwise provided (see instructions)		52408
	c Total available at beginning of current plan year to add to prefunding balance		877724
	d Portion of (c) to be added to prefunding balance		877724
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1642283

Part III Funding Percentages

14	Funding target attainment percentage	14	93.84%
15	Adjusted funding target attainment percentage	15	106.72%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/12/2012	287514	0			
07/11/2012	287514	0			
10/15/2012	287514	0			
12/28/2012	287514	0			
07/30/2013	450000	0			
			Totals ▶ 18(b)	1600056	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	1503938

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	5.54%	6.85%	7.52%	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	31a	595587
b Excess assets, if applicable, but not greater than line 31a	31b	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	785183	271205
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	866792

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	1	1

36 Additional cash requirement (line 34 minus line 35)	36	866791
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1503938
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	637147
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	1
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	