

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>THE ALLOY ENGINEERING COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>08/30/1974</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>08/30/1974</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>08/30/1974</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>THE ALLOY ENGINEERING COMPANY</u> <u>844 THACKER STREET</u> <u>BEREA, OH 44017-1659</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>34-0759537</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>440-243-6800</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>332900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>34-0759537</u>	2c Sponsor's telephone number <u>440-243-6800</u>	2d Business code (see instructions) <u>332900</u>	
2b Employer Identification Number (EIN) <u>34-0759537</u>					
2c Sponsor's telephone number <u>440-243-6800</u>					
2d Business code (see instructions) <u>332900</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	09/25/2014 Date	PAT HENNEBERRY Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	10/07/2014 Date	LOUIS D. PETONOVICH 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)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	128
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	65
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	56
d Subtotal. Add lines 6a , 6b , and 6c		6d	121
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	0
f Total. Add lines 6d and 6e		6f	121
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	119
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
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: 2O 2I 2Q			
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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
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) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information 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.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>THE ALLOY ENGINEERING COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE ALLOY ENGINEERING COMPANY</u>	D Employer Identification Number (EIN) <u>34-0759537</u>

Part I	Service Provider Information (see instructions)
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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)

GREATBANC TRUST COMPANY

36-3681493

(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	NONE	25777	Yes ☒ No ☐	Yes ☐ No ☒	18	Yes ☐ No ☒

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

CROWE HORWATH LLP

35-0921680

(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?
64	NONE	11110	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

APPLE GROWTH PARTNERS

6155 ROCKSIDE ROAD SUITE 400
INDEPENDENCE, OH 44131

(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?
10	NONE	9400	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)

MEADEN & MOORE, LTD

34-1818258

(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?
10	NONE	8300	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

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>THE ALLOY ENGINEERING COMPANY EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE ALLOY ENGINEERING COMPANY</u>	D Employer Identification Number (EIN) <u>34-0759537</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	223000	215000
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)	17586	9163
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	167879	415051
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	1326011	1194291
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	6647476	7816685
(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	8381952	9650190

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	1758
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	1758

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8381952	9648432
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	215000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	16433	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		231433

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	429	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		429

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	28946	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		28946

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1169209	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1169209

		(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)		107725
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1537742

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	215383	
(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)		215383
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)	28810	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	27069	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		55879
j Total expenses. Add all expense amounts in column (b) and enter total	2j		271262

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1266480
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☐ Yes ☒ No

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

(1) Name: MEADEN & MOORE, LTD

(2) EIN: 34-1818258

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

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

Part IV Compliance Questions

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

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		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.)		X	
e Was this plan covered by a fidelity bond?	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?		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?		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?		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.)	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.)	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?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		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.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan THE ALLOY ENGINEERING COMPANY EMPLOYEE STOCK OWNERSHIP PLAN				B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 THE ALLOY ENGINEERING COMPANY				D Employer Identification Number (EIN) 34-0759537	
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	0
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): 23-3060382					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
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
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2013 v. 130118					

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 ALLOY ENGINEERING COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

December 31, 2013

INDEX

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Independent Auditor's Report

To the Plan Administrator and Trustee
The Alloy Engineering Company Employee Stock Ownership Plan
Berea, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of The Alloy Engineering Company Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the years ended December 31, 2013 and 2012, 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 are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits of the Plan as of December 31, 2013 and 2012, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Assets Held for Investment Purposes at End of Year and Schedule of Reportable Transactions for the year ended December 31, 2013 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in dark ink that reads "Meaden & Moore, Ltd." in a cursive, slightly stylized font.

Meaden & Moore, Ltd.
Cleveland, Ohio
August 27, 2014

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

The Alloy Engineering Company Employee Stock Ownership Plan

	December 31	
	2013	2012
ASSETS		
Receivable - Employer contributions	\$ 215,000	\$ 223,000
Receivable - Income	9,047	4,442
Receivable - Other	116	13,144
Total Receivables	224,163	240,586
Investments:		
Alloy Engineering Stock	7,816,685	6,647,476
Money Market Funds	201,713	159,180
Collective Income Fund	213,338	8,699
Mutual Funds	1,194,291	1,326,011
Total Investments	9,426,027	8,141,366
Total Assets	9,650,190	8,381,952
LIABILITIES		
Other	1,758	-
Net Assets Available for Benefits	\$ 9,648,432	\$ 8,381,952

See accompanying notes.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

The Alloy Engineering Company Employee Stock Ownership Plan

	For the Year Ended December 31	
	2013	2012
Additions to Net Assets Attributed to:		
Contributions:		
Employer cash contributions	\$ 215,000	\$ 223,000
Other receipts	16,433	-
Total Contributions	231,433	223,000
Investment Income:		
Interest and dividend income	29,375	42,731
Net Unrealized/Realized Appreciation:		
Alloy Engineering Company Stock	1,169,209	614,796
Mutual Fund Investments	107,725	88,041
Total Investment Income	1,306,309	745,568
Deductions from Net Assets Attributed to:		
Benefits paid to participants	215,383	175,207
Administrative expenses	55,879	55,072
Total Deductions	271,262	230,279
Net Increase	1,266,480	738,289
Net Assets Available for Benefits:		
Beginning of Year	8,381,952	7,643,663
End of Year	\$ 9,648,432	\$ 8,381,952

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

1 Description of Plan

The following description of The Alloy Engineering Company Employee Stock Ownership Plan provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General:

Alloy Engineering first established a Stock Bonus Plan in 1974. Then in 2000, the Company purchased all shares not held by the Plan and amended the Plan to be an ESOP. The Plan operates as an employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by a trustee appointed by the Company's Board of Directors.

Eligibility:

Employees of the Company and its subsidiaries are generally eligible to participate in the Plan after one year of service, providing they worked at least 1,000 hours during such Plan year. Participants who do not have at least 1,000 hours of service during such Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions for such year.

Plan Termination:

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon Plan termination, each participant's interest in the Plan will be distributed to such participant or beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Trustee will pay all liabilities and expenses of the Plan.

Contributions:

On or before the last day of each fiscal year, the Company appropriates for purposes of this Plan, an amount that the Board has determined and approved. This appropriation shall be made on account of, for this fiscal year if either (a) the Board determined amount is announced in writing to its participants before the close of the fiscal year, or (b) the Company designates such amount in writing to the Trustee as payment on account or (c) the Company claims the amount as a deduction on its federal income tax return. The payment(s) can be made in cash or property, including Company stock. The payment(s) shall be made prior to the end of the fiscal year for which the contribution is made or in the sole discretion of the Company after the end of the fiscal year, but prior to the filing of that year's federal income tax return.

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

1 Description of Plan, Continued

Participant Accounts:

Contributions made by the employer are allocated to the Company accounts of those persons who are active participants for the Plan year for which the contribution has been made. The allocation is in the same proportion that each active participant's participating compensation is to the total participating compensation of all active participants. All trust income, which includes investment earnings and/or losses, Plan expenses and the net valuation change in Company stock, is prorated among and added to (or deducted from), the individual accounts of the participants and beneficiaries.

Diversifications:

Any participant or former participant who has attained the age of 55 may diversify a portion of the assets in their account. This direction to diversify may be done on an annual basis by notifying the Plan Administrator on or before November 30. The eligible participant's account, for this purpose, is the account as of the end of the Plan year prior to the year of the direction. An eligible participant has five eligible directions, over five consecutive years, as follows:

1st Direction	1/10 of account
2nd Direction	1/9 of account
3rd Direction	1/8 of account
4th Direction	1/7 of account
5th Direction	1/6 of account

Vesting:

Vesting in the participant's account balance is based on years of service up to the date of termination of employment. There is currently two vesting schedules in place for the Plan. For those account balances prior to January 1, 2007, the vesting schedule is as follows:

<u>Years of Service</u>	<u>%</u>
Less than 5	0%
5 or more	100%

For any contribution received after December 31, 2006, the following vesting schedule is followed:

<u>Years of Service</u>	<u>%</u>
Less than 3	0%
3 or more	100%

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

1 Description of Plan, Continued

Forfeitures:

The non-vested portion of a terminated participant's account under the Plan shall constitute a forfeiture. Forfeitures are allocated to the accounts of active participants based on the ratio of active participants participating compensation to the total active participants participating compensation. As of December 31, 2013 and 2012, the outstanding forfeiture balance was \$20,172 and \$4,954, respectively.

Distributions:

Once vested, the participant can only take a distribution under the following events: (1) upon termination if their account balance is \$5,000 or less, (2) at 60 years of age, if no longer employed by the Company, (3) if total and permanent disability occurs, or (4) death.

All distributions of Plan benefits are made entirely in cash and can be made in either of the following forms: (1) lump sum, or (2) installments, as nearly as equal as possible, over a period of five years.

The Plan was amended effective January 1, 2014 to allow distributions in the form of Company Stock.

Parties-in-Interest:

The Alloy Engineering Company stock is held by the ESOP and is a party-in-interest to the Plan.

2 Summary of Significant Accounting Policies

Basis of Accounting:

The Plan's transactions are reported on the accrual basis of accounting.

Risks and Uncertainties:

The Plan's investment include investments in the Company stock, money market, and mutual funds with varying degrees of risk, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the Statement of Net Assets Available for Plan Benefits.

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

2 Summary of Significant Accounting Policies, Continued

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events:

Management evaluates subsequent events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through August 27, 2014, which is the date the financial statements were available to be issued.

3 Tax Status

The Plan obtained its latest determination letter on October 2, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. 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 currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

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 if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The Plan Administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2013, there were no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress. The Plan Administrator believes that the Plan is no longer subject to income tax examinations for years prior to December 31, 2010.

4 Administration of Plan Assets

The Plan's assets, which consist principally of Alloy common shares, are held by the Trustee of the Plan.

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

4 Administration of Plan Assets, Continued

Company contributions are held and managed by the Trustee, which invests cash received, interest income and makes distributions to participants.

5 Investments in Company Stock

Plan investments are carried at fair market value and consist of voting common stock. The fair market value per share of Alloy's stock, as determined by an independent appraiser, was \$14,240 and \$12,110 at December 31, 2013 and 2012, respectively.

A summary of the Plan's investments in Alloy's stock is as follows:

	2013	2012
Number of shares	548.92	548.92
Cost	\$ 182,000	\$ 182,000
Market Value	\$ 7,816,685	\$ 6,647,476

6 Fair Value Measurements

As defined in FASB ASC 820, "Fair Value Measurements", 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. In determining fair value, the Plan utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable firm inputs. The Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the examination of the inputs used in the valuation techniques, the Plan is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- * 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;

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

6 Fair Value Measurements, Continued

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds and Money Market Funds:

The fair value of the common stocks and mutual funds are based on quoted market prices. These instruments are classified within Level 1 of the valuation hierarchy.

Collective Investment Fund:

The fair value of the collective investment fund is valued at amortized cost. This instrument is classified within Level 2 of the valuation hierarchy.

The investment objective of the Fund is to provide current income consistent with principal stability and liquidity. The net asset value per unit of the Trust is calculated on each business day by dividing the total value of assets, less liabilities, by the number of units outstanding. Unit issuances and redemptions are based on the net asset value determined at the end of the current day.

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

6 Fair Value Measurements, Continued

Employer Stock:

The fair value of the employer stock is based on a valuation determined by an independent appraiser.

The fair value of the Sponsor Company common stock held by the plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability. The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustee, reviews in detail, discusses and approves. The results of this process are documented in minutes of the plan fiduciary. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the financial instruments carried at fair value, on a recurring basis, as of December 31, 2013, by the valuation hierarchy (as described previously).

	Quoted Prices in Active Markets (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Models with Significant Unobservable Market Parameters (Level 3)	Total Carrying Value in the Statement of Net Assets Available for Benefits
Mutual Funds:				
Equity	\$ 693,865	\$ -	\$ -	\$ 693,865
Fixed Income	500,426	-	-	500,426
Money Market	201,713	-	-	201,713
Collective Investment Fund	-	213,338	-	213,338
Employer Stock	-	-	7,816,685	7,816,685
	<u>\$ 1,396,004</u>	<u>\$ 213,338</u>	<u>\$ 7,816,685</u>	<u>\$ 9,426,027</u>

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

6 Fair Value Measurements, Continued

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Employer Stock
Beginning Balance	\$ 6,647,476
Total realized/unrealized gains or losses included in changes in net assets	<u>1,169,209</u>
Ending Balance	<u>\$ 7,816,685</u>

The following table presents the financial instruments carried at fair value, on a recurring basis, as of December 31, 2012, by the valuation hierarchy (as described previously).

	Quoted Market Prices in Active Markets (Level 1)	Models with Significant Observable Market Parameters (Level 2)	Models with Significant Unobservable Market Parameters (Level 3)	Total Carrying Value in the Statement of Net Assets Available for Benefits
Mutual Funds:				
Equity	\$ 771,120	\$ -	\$ -	\$ 771,120
Fixed Income	554,891	-	-	554,891
Money Market	159,180	-	-	159,180
Collective Investment Fund	-	8,699	-	8,699
Employer Stock	-	-	6,647,476	6,647,476
	<u>\$ 1,485,191</u>	<u>\$ 8,699</u>	<u>\$ 6,647,476</u>	<u>\$ 8,141,366</u>

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Employer Stock
Beginning Balance	\$ 6,032,680
Total realized/unrealized gains or losses included in changes in net assets	<u>614,796</u>
Ending Balance	<u>\$ 6,647,476</u>

NOTES TO FINANCIAL STATEMENTS

The Alloy Engineering Company Employee Stock Ownership Plan

7 Investments

The Plan's funds are invested in Company stock and various investments through the Greatbanc Trust Company. Investments which constitute more than 5% of the Plan's net assets are:

	<u>2013</u>	<u>2012</u>
The Alloy Engineering Company	<u>\$ 7,816,685</u>	<u>\$ 6,647,476</u>

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

The Alloy Engineering Company
Employee Stock Ownership Plan

EIN 34-0759537
Plan Number 003

December 31, 2013

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
* The Alloy Engineering Company				
	Salem Trust Short Term Investment Fund	Voting Stock - Alloy Engineering Company	\$ 182,000	\$ 7,816,685
	Goldman Sachs Financial Square Government Fund	Collective Income Fund	213,338	213,338
	Calamos Growth Fund	Money Market Fund	201,713	201,713
	Federated MTD Stock Trust	Mutual Fund	N/A	32,102
	Templeton Foreign Fund	Mutual Fund	N/A	10,434
	Vanguard Index Tr 500	Mutual Fund	N/A	142,986
	Pimco Investment Grade Corporate Bond Fund	Mutual Fund	N/A	77,222
	Federated Total Return Fund	Mutual Fund	N/A	30,182
	Trust US Treasury Obligations	Mutual Fund	N/A	259,722
	Vanguard Small Cap Index Fund	Mutual Fund	N/A	103,368
	Vanguard Mid Cap Index Fund	Mutual Fund	N/A	11,666
	Vanguard Growth Index Fund	Mutual Fund	N/A	22,446
	Vanguard Short Term Bond Index Fund	Mutual Fund	N/A	21,199
	Forward International Investment Grade Fixed-Income Fund	Mutual Fund	N/A	17,287
	iShares MSCI EAFE Index Fund	Mutual Fund	N/A	20,758
	SPDR S&P 500 ETF Trust	Mutual Fund	N/A	44,350
	iShares iBoxx \$ Investment Grade Corporate Bond Fund	Mutual Fund	N/A	228,092
	Pimco Enhanced Short Maturity Exchange-Traded Fund	Mutual Fund	N/A	56,409
	iShares Barclays 1-3 Year Credit Bond Fund	Mutual Fund	N/A	32,220
	Baird Short Term Bond Fund Inst	Mutual Fund	N/A	35,013
	Doubleline Total Return Bond Fund I	Mutual Fund	N/A	16,715
	TOTAL		<u>\$ 597,051</u>	<u>\$ 9,426,027</u>

* Party-in-interest to the Plan.
Cost: For non-participant directed funds only.

SCHEDULE OF REPORTABLE TRANSACTIONS
Form 5500, Schedule H, Part IV, Line 4j

The Alloy Engineering Company
Employee Stock Ownership Plan

EIN 34-0759537
Plan Number 003

December 31, 2013

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
<i>Series of transactions in excess of 5%</i>								
Salem Trust Short Term Investment Fund	Collective Income Fund	\$ 456,509	\$ -	\$ -	\$ -	\$ 456,509	\$ 456,509	\$ -
Salem Trust Short Term Investment Fund	Collective Income Fund	\$ -	\$ 249,652	\$ -	\$ -	\$ 249,652	\$ 249,652	\$ -

SCHEDULE OF REPORTABLE TRANSACTIONS
Form 5500, Schedule H, Part IV, Line 4j

The Alloy Engineering Company
Employee Stock Ownership Plan

EIN 34-0759537
Plan Number 003

December 31, 2013

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
<i>Series of transactions in excess of 5%</i>								
Salem Trust Short Term Investment Fund	Collective Income Fund	\$456,509	\$ -	\$ -	\$ -	\$ 456,509	\$ 456,509	\$ -
Salem Trust Short Term Investment Fund	Collective Income Fund	\$ -	\$249,652	\$ -	\$ -	\$ 249,652	\$ 249,652	\$ -

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
Form 5500, Schedule H, Part IV, Line 4i

The Alloy Engineering Company
Employee Stock Ownership Plan

EIN 34-0759537
Plan Number 003

December 31, 2013

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
* The Alloy Engineering Company				
	Salem Trust Short Term Investment Fund	Common Stock - Alloy Engineering Company	\$ 182,000	\$ 7,816,685
	Goldman Sachs Financial Square Government Fund	Voting Stock \$14,240 per share, 548.92 shares	213,338	213,338
	Calamos Growth Fund	Collective Income Fund	201,713	201,713
	Federated MTD Stock Trust	Money Market Fund	N/A	32,102
	Templeton Foreign Fund	Mutual Fund	N/A	10,434
	Vanguard Index Tr 500	Mutual Fund	N/A	142,986
	Pimco Investment Grade Corporate Bond Fund	Mutual Fund	N/A	77,222
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	TOTAL		<u>\$ 597,051</u>	<u>\$ 9,426,027</u>

* Party-in-interest to the Plan.
Cost: For non-participant directed funds only.