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

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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. . . . . ▶ [ ]

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
H O PENN 401(K) & PROFIT SHARING PLAN AND TRUST

1b Three-digit plan number (PN) ▶ 005

1c Effective date of plan 07/29/1980

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

H O PENN MACHINERY COMPANY INC

122 NOXON ROAD
POUGHKEEPSIE, NY 12603

2b Employer Identification Number (EIN)
13-1158790

2c Sponsor's telephone number
845-437-4035

2d Business code (see instructions)
423800

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.	10/09/2014	MARY SALCH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2014	SUE STEFFANCI
	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)

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

H O PENN MACHINERY COMPANY INC

122 NOXON ROAD
POUGHKEEPSIE, NY 12603

3b Administrator's EIN
13-1158790

3c Administrator's telephone number
845-437-4035

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**	262
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**	197
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	66
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	264
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	6
f	Total. Add lines **6d** and **6e**.	**6f**	270
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	263
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:
2J 2F 2G 2K 2E 2T 3H

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

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	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)	X	**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)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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
H O PENN 401(K) & PROFIT SHARING PLAN AND TRUST

B Three-digit plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500
H O PENN MACHINERY COMPANY INC

D Employer Identification Number (EIN)
13-1158790

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
06-1050034	93629	32581-001	270	01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	13698320
5	Current value of plan's interest under this contract in separate accounts at year end	5	13669649

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b	Balance at the end of the previous year			7b	11754940
c	Additions: (1) Contributions deposited during the year	7c(1)	416505		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	256821		
	(4) Transferred from separate account	7c(4)	583930		
	(5) Other (specify below)	7c(5)	1842476		
	▶ LOAN REPAYMENTS, TRANSFERS IN MISCELLEANOUS IN FORFEITURE CREDITS				
	(6) Total additions			7c(6)	3099732
d	Total of balance and additions (add lines **7b** and **7c(6)**)			7d	14854672
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	297835		
	(2) Administration charge made by carrier	7e(2)	172		
	(3) Transferred to separate account	7e(3)	213926		
	(4) Other (specify below)	7e(4)	644419		
	▶ LOAN INITIATIONS, TRANSFERS OUT MISCELLEANOUS OUT FORFEITURE DEBITS				
	(5) Total deductions			7e(5)	1156352
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	13698320

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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.**	**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
H O PENN 401(K) & PROFIT SHARING PLAN AND TRUST

B Three-digit plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500
H O PENN MACHINERY COMPANY INC

D Employer Identification Number (EIN)
13-1158790

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).. . . . . [X] 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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

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

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

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)

PORTFOLIO EVALUATIONS INC.

22-3189064

(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?
16	NONE	7609	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
15 37 50 60 64	NONE	1900	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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 [ ]

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
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	0

(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.
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	20.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2013 TO 12/31/2013 GUARANTEED INCOME FUND

(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

(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

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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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
H O PENN 401(K) & PROFIT SHARING PLAN AND TRUST

B Three-digit plan number (PN) ▶ 005

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
H O PENN MACHINERY COMPANY INC

D Employer Identification Number (EIN)
13-1158790

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: MC GR/WADDELL & REED FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-409	P	2207773

a Name of MTIA, CCT, PSA, or 103-12 IE: SA/OAK EQ & INC STRAT

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-307	P	919191

a Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S & P 500 INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-123	P	7183693

a Name of MTIA, CCT, PSA, or 103-12 IE: T ROWE PRICE SMALL CP ST

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-266	P	3358992

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

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

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
H O PENN 401(K) & PROFIT SHARING PLAN AND TRUST

B Three-digit plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500
H O PENN MACHINERY COMPANY INC

D Employer Identification Number (EIN)
13-1158790

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	46792	0
(2) Participant contributions	1b(2)	94452	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	7745	9468
(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)	527411	519834
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	10180881	13669649
(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)	17598560	21062382
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	11754940	13698320
(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	40210781	48959653
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	40210781	48959653

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)	481568	
	(B) Participants	2a(1)(B)	1485311	
	(C) Others (including rollovers)	2a(1)(C)	470483	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2437362
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(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)	27092	
	(F) Other	2b(1)(F)	256821	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		283913
	(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)	253075	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		253075
	(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)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(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)		3383481
(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)		3289110
c Other income	2c		7500
d Total income. Add all **income** amounts in column (b) and enter total	2d		9654441
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	895385	
(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)		895385
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	10184	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		10184
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		905569
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		8748872
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: TARLOW & CO., CPA'S **(2)** EIN: 13-3587163

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		10000000
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			

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

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

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
H O PENN 401(K) & PROFIT SHARING PLAN AND TRUST

B Three-digit plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500
H O PENN MACHINERY COMPANY INC

D Employer Identification Number (EIN)
13-1158790

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): 22-1211670

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 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):

T&C
TARLOW & CO., C.P.A.'S
A PROFESSIONAL CORPORATION

7 Penn Plaza, Suite 210, New York, N.Y. 10001 Tel. 212-697-8540 Fax. 212-573-6805

INDEPENDENT AUDITOR'S REPORT

To the Trustees and Plan Administrators
H.O. Penn 401(k) & Profit Sharing Plan and Trust
Poughkeepsie, NY

Report on the Financial Statements

We have audited the accompanying financial statements of H.O. Penn 401(k) & Profit Sharing Plan and Trust, 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 year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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 matter 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, F.S.B., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 a certification from the trustee as of and for the year ended December 31, 2013, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, 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

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held At End of Year) Form 5500, Schedule H, Line 4i as of December 31, 2013, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

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 schedule, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Tarlow & Co., C.P.A.'s

New York, NY
September 29, 2014

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2013 AND 2012

	2013	2012
Assets		
Investments, at fair value and contract value:		
Investment contract with insurance company	$ 13,698,320	$ 11,754,940
Investments, at fair value:		
Pooled separate accounts	13,669,649	10,180,881
Mutual funds	21,062,382	17,598,560
Cash and cash equivalents	9,468	7,745
Total investments	48,439,819	39,542,126
Receivables:		
Notes receivable - participants	519,834	527,411
Contributions receivable - participants	-	94,452
Contributions receivable - employer	-	46,792
Total receivables	519,834	668,655
Total assets	48,959,653	40,210,781
Liabilities	-	-
Net assets available for benefits	$ 48,959,653	$ 40,210,781

See accompanying notes to the financial statements.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2013

Additions:	
Additions to net assets attributed to:	
Investment income:	
Net gain in fair value of investments	$ 6,672,591
Interest and dividends	509,896
Total investment income	7,182,487
Interest income on notes receivable from participants	27,092
Other income	7,500
Contributions:	
Employer, net of forfeitures	481,568
Participants	1,485,311
Rollovers	470,483
Total contributions	2,437,362
Total additions	9,654,441
Deductions:	
Deductions from net assets attributed to:	
Benefits paid to participants	895,385
Administrative expenses	10,184
Total deductions	905,569
Net increase in net assets available for benefits	8,748,872
Net assets available for benefits:	
Beginning of year	40,210,781
End of year	$ 48,959,653

See accompanying notes to the financial statements.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - DESCRIPTION OF PLAN

The following description of the H.O. Penn 401(k) & Profit Sharing Plan and Trust (the "Plan") provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering full-time employees of both H.O. Penn Machinery Company, Inc. and Penn Rents, L.L.C. (collectively the "Company") who are not covered by a collective bargaining agreement that provides for retirement benefits. Eligibility for the 401(k) Plan and the Profit Sharing Plan require services of three and six months, respectively. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

(b) Contributions

Each year, participants may contribute up to 100 percent of pretax annual compensation, as defined in the Plan and in any combination of before-tax and Roth 401(k)(after-tax) contributions. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investments of their contributions into various investment options offered by the Plan. The Company, on a payroll basis, contributes 50 percent of the first 6 percent of compensation contributed as pre-tax contributions. Additional amounts may be contributed at the option of the Company's board of directors. Annual contributions are subject to certain limitations prescribed by the Internal Revenue Code.

The Plan was amended, effective January 1, 2012, to add a provision allowing Roth – In-Plan Rollovers. Under this feature, a participant may elect to rollover all or a portion of his or her vested Plan account that is then available for distribution or in-service withdrawal into Roth (after-tax) funds. A participant is required to pay income taxes on the amount rolled over and, assuming the applicable holding period and distribution requirement are satisfied, the Roth In-Plan Rollover held in the Plan together with subsequent investment earnings will not be subject to Federal income taxes at the time of distribution. Roth In-Plan Rollovers, totaling $5,799, are included in Rollovers in the Statement of Changes in Net Assets Available for Benefits.

(c) Participant accounts

Each participant's account is credited with the participant's contribution and allocations of (i) the Company's contribution and (ii) Plan net earnings. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested 401(k) accounts are used to reduce future Company contributions and reimbursement of certain Plan administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - DESCRIPTION OF PLAN (Continued)

(d) Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after six years of credited service.

(e) Participant notes receivables

Participants may borrow from their fund accounts a minimum of $1,000 and up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loan terms range from 1 to 5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator. Interest rates range from 3.25 percent to 7.25 percent. Principal and interest is paid ratably through payroll deductions or by direct payment by the participants to their funds.

(f) In-service and hardship withdrawals

While a participant is employed with the Company, a participant may make withdrawals in cash of amounts applicable to a participant and employer contributions and compensation or losses thereon, subject to certain restrictions. A participant can take hardship withdrawals (certain medical expenses, purchase of principal residence, tuition payment for post-secondary education, and payments to prevent eviction from a primary residence) as defined in the plan document. A participant's hardship withdrawal will preclude the participant from making additional employee before-tax contributions to the Plan for a six-month period after the hardship withdrawal. Participant before-tax contributions and matching contributions can be withdrawn after attainment of age 59 ½.

(g) Payment of benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments in the form of an annuity. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

(h) Administrative expenses

Although not required by the Plan, the Company has elected to pay the majority of the administrative expenses of the Plan, including legal, audit and other administrative expenses. Notwithstanding the foregoing, the Company may direct that administrative expenses, that are allocable to the account of a specific participant, be paid from that account.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - DESCRIPTION OF PLAN (Continued)

(i) Forfeitures

If a participant terminates with the Company prior to full vesting, the nonvested portion of his or her account attributable to the Company matching and discretionary contributions and earnings thereon is forfeited. The discretionary contributions and earnings thereon were reallocated to participants. At December 31, 2013 and 2012, forfeited nonvested accounts totaled $34,092 and $14,226, respectively. These accounts will be used to reduce future employer 401(k) matching contributions and certain administrative expenses. During 2013 and 2012, employer contributions were reduced by $9,133 and $7,846, respectively, from forfeited nonvested accounts. During 2013 and 2012, forfeitures offset administrative expenses of $500 and $178, respectively.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Investment valuation and income recognition

The Plan's investments are stated at fair value except for its investment contract (the Guaranteed Income Account), which is valued at contract value (see Note 3 – Investments). Shares of registered investment companies, held in pooled separate accounts, are valued at quoted net asset value of shares held by Prudential Financial at year-end. The Plan's investment contract is valued at contract value which approximates fair value. Participant notes receivable are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(c) Payment of benefits

Benefits are recorded when paid.

(d) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

(e) Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 and 2012. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded. Delinquent notes receivable from participants are recorded as deemed distributions based upon the terms of the plan document.

(f) New accounting pronouncement

In January 2013, the FASB issued ASU No. 2013-01, Clarifying the Scope of Disclosure About Offsetting Assets and Liabilities. ASU No. 2013-01 limits the scope of the new balance sheet offsetting disclosure requirements to derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and lending transactions. The adoption of this standard, effective January 1, 2013, did not have an impact on the Plan's financial statements and did not require additional disclosures.

NOTE 3 - INVESTMENTS

(A) Information certified by the trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified by Prudential Financial and was not subjected to any audit procedures performed by the independent certified public accountants:

(a) Total investments as shown in the accompanying statements of net assets available for benefits of $48,439,819 and $39,542,126 as of December 31, 2013 and 2012, respectively.

(b) Net investment income as shown in the accompanying statement of changes in net assets available for benefits of $7,182,487 for the year ended December 31, 2013.

(B) Investment options

Participant directed investments are held and administered by Prudential Financial. Participants may invest, in increments of whole percentage points, in the following investment options:

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 3 - INVESTMENTS (Continued)

(B) Investment options (Continued)

(a) Pooled separate accounts

These investments are maintained by Prudential Financial and invested solely in the shares of the following pooled separate accounts:

Dryden S&P 500 Index Fund
Waddell & Reed Mid Cap Growth Fund [1]
Oakmark Equity & Income
T. Rowe Small Cap Stock

[1] Effective October 16, 2013, Waddell & Reed Investment Management commenced managing the Fund. Performance management prior to October 16, 2013 is that of Goldman Sachs.

(b) Mutual funds

Each mutual fund is maintained by Prudential Financial:

American Beacon Large Cap Value Fund
Calamos Growth Fund Cl I*
PIMCO Total Return Institutional Fund
JP Morgan Mid Cap Value Institutional
T. Rowe Price Blue Chip Growth Advisor Cl
Thornburg International Value R5
Vanguard Inflation Protection Sec
Vanguard Total International Stock Index
Virtus Real Estate Sec I

(c) Money market fund

Each money market fund is maintained by Prudential Financial:

Vanguard Admiral Treasury Money Market Fund
Vanguard Prime Money Market Fund

(d) Cash

Ln Ap Fund

* No longer an investment option as of the end of 2013 Plan year.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 3 - INVESTMENTS (Continued)

(e) Investment contract with insurance company

The financial statement presentation and disclosure of the Prudential Retirement Insurance Guaranteed Income Fund (the "Fund") complies with the FASB ASC 962-325, "Plan Accounting – Defined Contribution Pension Plans, Investments – Other". The Fund is an investment contract with Prudential Retirement & Annuity Co. ("PRIAC"). PRIAC maintains the contributions in its general account. The Fund has no maturity date and PRIAC is obligated to repay the principal and a specified crediting rate that is guaranteed to the Plan.

The Fund is fully benefit-responsive. As such, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the Fund. Contract value, as reported to the Plan by PRIAC, represents contributions made under the Fund, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Since the Fund's contract value approximates fair value, there is no adjustment from fair value to contract value. Therefore, the Fund is included in the statements of net assets available for benefits at contract and fair values. The estimated contract and fair values of the Fund as of December 31, 2013 and 2012 was $13,698,320 and $11,754,940, respectively.

The average yield under the Guaranteed Income Fund Account was 2.05% and 2.40% in 2013 and 2012, respectively, based on the interest rate credited to participants, as well as actual earnings. When establishing the crediting interest rate, PRIAC considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within PRIAC's general account. These rates are established without the use of a specific formula and the minimum crediting rate, under the contract, cannot be less than 1.50%. Such interest rates are reviewed on a semi-annual basis for resetting.

Certain events, such as termination of the contract by the Plan or termination of the Plan, would not limit the Plan's ability to transact at contract value. Generally, there are no events that allow the issuer to terminate the contract and which require the Plan to settle at an amount different from contract value. The Plan administrator believes it is not probable that occurrence of such events would limit the Plan's ability to transact at contract value with the Plan participants.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 3 - INVESTMENTS (Continued)

(C) Investment balances

All of the Plan's investments are participant directed, except as outlined in Note 4 – Nonparticipant-Directed Investments. As of December 31, 2013 and 2012, the Plan's investments that represent 5% or more of the net assets available for benefits are as follows:

	2013		2012	
Prudential Guaranteed Income Fund	$ 13,698,320	28.0 %	$ 11,754,940	29.2 %
Dryden S&P 500 Index Fund	7,183,693	14.7	5,367,023	13.3
T. Rowe Blue Chip Growth Advisor Cl	5,100,848	10.4	3,448,002	8.6
PIMCO Total Return Institutional Fund	4,665,232	9.5	4,424,315	11.0
Thornburg International Value R5	4,120,709	8.4	3,306,012	8.2
T. Rowe Small Cap Stock	3,358,992	6.9	2,444,178	6.1
American Beacon Large Cap Value Fund	3,285,008	6.7	2,440,571	6.1
	$ 41,412,802	84.6 %	$ 33,185,041	82.5 %

(D) Net appreciation (depreciation) in fair value of investments

For the year ended December 31, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Quoted prices in an active market:	
Registered investment companies	$ 3,289,110
Assets valued based upon estimated fair value:	
Pooled separate accounts	3,383,481
	$ 6,672,591

NOTE 4 - NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the change in net assets relating to the nonparticipant-directed investments are as follows:

	December 31,	
	2013	2012
Net assets:		
Forfeiture account	$ 34,092	$ 14,226

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 4 - NONPARTICIPANT-DIRECTED INVESTMENTS (Continued)

	For the Year Ended December 31, 2013
Change in net assets:	
Forfeitures used to offset employer contributions	$ (9,133)
Forfeitures used to offset administrative expenses	(500)
Investment earnings on forfeitures	163
Forfeitures relating to current year activities	29,336
	$ 19,866

NOTE 5 - FAIR VALUE MEASUREMENTS

The Plan adopted ASC 820, Fair Value Measurements and Disclosures, which establishes a framework for measuring fair value. This 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), gives the next priority to quoted values based on observable inputs ("Level 2" measurements), and the lowest priority to values based on unobservable inputs ("Level 3" measurements). The three levels of the fair value hierarchy under ASC 820 are briefly described below:

(a) 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. For example, stocks listed on a recognized exchange or listed mutual funds would be Level 1.

(b) 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 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.

(c) Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. For example, real estate using an independent appraisal process would be Level 3.

The asset's or liability's fair value measurement level with 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.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The 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, 2013 and 2012.

(a) Prudential Retirement Insurance Guaranteed Income Fund

The fair value is based on discounted cash flows assuming termination of the contract, based on current yields of similar instruments with comparable durations and considering the creditworthiness of the issuer.

(b) Pooled separate accounts

Plan assets are represented by a "unit of account" and a per unit value whose value is the result of the accumulated values of underlying investments. The underlying investments are valued in the following ways:

- Equity securities (stock): Valued at the closing price reported on the active market on which individual securities are traded.
- Bonds: Valued based on prices derived by an independent party that uses inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Prices are reviewed and can be challenged with the independent party and/or overridden by the company if the company believes such would be more reflective of fair value.
- Real estate: Values are determined through an independent appraisal process. The estimate of fair value is based on three approaches; (1) current cost of reproducing the property less deterioration and functional/economic obsolescence; (2) discounting a series of income streams and reversion at a specific yield or by directly capitalizing a single year income estimate by an appropriate factor; and (3) value indicated by recent sales of comparable properties in the market. Each approach requires the exercise of subjective judgment.

(c) Mutual funds

The fair value is determined by reference to the funds' Net Asset Value (NAV). NAV per share is computed once a day based on the closing market prices of the securities in the fund's portfolio.

The methods described above 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.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The following tables, set forth by level, within the fair value hierarchy, the Plan's investments measured at fair value as of December 31, 2013 and 2012:

	Investments at Fair Value as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Investment Contract with Insurance Company	$ -	$ -	$13,698,320	$ 13,698,320
Pooled Separate Accounts:				
Large-cap stock	-	7,183,693	-	7,183,693
Mid-cap stock	-	2,207,773	-	-
Small-cap stock	-	3,358,992	-	3,358,992
Balanced fund	-	919,191	-	919,191
Mutual Funds:				
Large-cap stock	3,285,008	-	-	3,285,008
Large/mid-cap stock	5,100,848	-	-	5,100,848
Mid-cap stock	2,286,951	-	-	2,286,951
Fixed-income funds	4,700,950	-	-	4,700,950
International stock	4,863,728	-	-	4,863,728
Specialty funds	824,897	-	-	824,897
Cash and cash equivalents	9,468	-	-	9,468
Total investments at fair value	$ 21,071,850	$ 13,669,649	$13,698,320	$ 48,439,819

	Investments at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Investment Contract with Insurance Company	$ -	$ -	$11,754,940	$ 11,754,940
Pooled Separate Accounts:				
Large-cap stock	-	5,367,023	-	5,367,023
Mid-cap stock	-	1,688,703	-	1,688,703
Small-cap stock	-	2,444,178	-	2,444,178
Balanced fund	-	680,977	-	680,977
Mutual Funds:				
Large-cap stock	2,819,159	-	-	2,819,159
Large/mid-cap stock	3,448,002	-	-	3,448,002
Mid-cap stock	1,651,219	-	-	1,651,219
Fixed-income funds	5,041,462	-	-	5,041,462
International stock	3,885,668	-	-	3,885,668
Specialty funds	753,050	-	-	753,050
Cash and cash equivalents	7,745	-	-	7,745
Total investments at fair value	$ 17,606,305	$ 10,180,881	$11,754,940	$ 39,542,126

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2013:

Additions to net assets:	
Additions to net assets attributed to:	
Investment income:	
Interest and dividends	$ 256,821
Total investment income	256,821
Contributions:	
Employer, net of forfeitures	105,348
Participants	304,181
Rollovers	6,976
Total contributions	416,505
Total additions	673,326
Net transfers	1,568,061
Deductions from net assets:	
Deductions from net assets attributed to:	
Benefits paid to participants	297,835
Administrative expenses	172
Total deductions	298,007
Net increase	1,943,380
Net assets at fair value:	
Beginning of year	11,754,940
End of year	$ 13,698,320

The following table presents information about significant unobservable inputs used in Level 3 fair value measurements:

Instrument	Fair Value	Principal Valuation Technique	Inputs	Observable/ Unobservable	Range of Significant Input Values
Guaranteed Income Fund (GIF)	$13,698,320	Fair Value = Contract Value	Deposits	Observable	
			Earnings at Guaranteed Crediting Rate	Unobservable	Gross Guaranteed Crediting Rate must be greater than or equal to the contractual minimum crediting rate.
			Withdrawals	Observable	
			Fees	Observable	

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Fair value of investments in entities that use NAV

Plan investments may be redeemed by the participant or by the Plan. Participants redeem investments when they elect to receive a withdrawal, make a transfer to another investment, or take a loan. The Plan redeems investments when the fiduciaries determine that an investment will no longer be offered as a Plan investment. The table below summarizes investments measured at fair value based on NAV per share. The table is also a high-level summary of the terms and conditions related to the redemption of Plan investments. For more detailed information on the terms and conditions under which participants or the Plan may redeem investments, see the relevant Plan and investment documentation (e.g. prospectus) for each investment.

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
December 31, 2013				
Pooled separate accounts:				
Dryden S&P 500 Index Fund	$ 7,183,693	N/A	Immediate	None
T. Rowe Small Cap Stock	3,358,992	N/A	Immediate	None
Waddell & Reed Mid Cap Growth Fund [1]	2,207,773	N/A	Immediate	None
Oakmark Equity & Income	919,191	N/A	Immediate	None
	$13,669,649			
December 31, 2012				
Pooled separate accounts:				
Dryden S&P 500 Index Fund	$ 5,367,023	N/A	Immediate	None
T. Rowe Small Cap Stock	2,444,178	N/A	Immediate	None
Goldman Sachs Mid Cap Growth Fund [1]	1,688,703	N/A	Immediate	None
Oakmark Equity & Income	680,977	N/A	Immediate	None
	$10,180,881			

[1] Effective October 16, 2013, Waddell & Reed Investment Management commenced managing the Fund. Performance management prior to October 16, 2013 is that of Goldman Sachs.

NOTE 6 - PARTY-IN-INTEREST TRANSACTIONS

All Plan investments are managed by Prudential Financial. Prudential Financial is a trustee and custodian of the Plan's assets and provides the Plan with certain administrative services and, therefore, the purchases and sales of these investments and resulting balances qualify as party-in-interest transactions. Fees paid by the Plan for investment management services amounted to $1,900 for the year ended December 31, 2013.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 7 - PLAN TERMINATION

Although it has not expressed an intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

In the event of Plan termination, participants will become 100 percent vested in their accounts.

NOTE 8 - TAX STATUS

The IRS has determined and informed the plan sponsor by a letter dated July 7, 2010, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the volume submitter determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified.

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 uncertain positions that would more likely than not would not be sustained upon examination by the tax authorities. The Plan's management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, 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 the tax authorities; however there are currently no audits for any tax periods in progress. As of the report date, the 2013 Plan tax returns have not yet been filed. The Plan's management believes the tax years from 2010 to 2012 are still subject to tax examinations.

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. 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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

For Form 5500 purposes, participant notes receivable are required to be included as part of investments and for financial statements part of receivables.

The following is a reconciliation of participant notes receivable per the financial statements for the year ended December 31, 2013 to Form 5500.

Notes receivable - participants per the financial statements	$	519,834
Plus: Investments, at fair value, per the financial statements		48,439,819
Investments per Form 5500	$	48,959,653

NOTE 11 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 29, 2014, the date the financial statements were available to be issued.

H.O. PENN 401(k) & PROFIT SHARING PLAN AND TRUST

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FORM 5500, SCHEDULE H, LINE 4i

PLAN SPONSOR'S EIN: 13-1158790, PLAN NUMBER 005

AS OF DECEMBER 31, 2013

(a) Party-in Interest	(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
	Prudential Retirement Insurance Guaranteed Income Fund [1]	Insurance Contract, Shares: 156,956.3960 (security contract #325-81-001)	**	13,698,320
	Dryden S&P 500 Index Fund	Pooled Separate Accounts, Shares: 56,252.12	**	7,183,693
	Oakmark Equity & Income	Pooled Separate Accounts, Shares: 18,217.79	**	919,191
	T. Rowe Small Cap Stock	Pooled Separate Accounts, Shares: 75,381.34	**	3,358,992
	Waddell & Reed Mid Cap Growth Fund [2]	Pooled Separate Accounts, Shares: 87,330.53	**	2,207,773
	American Beacon Large Cap Value Fund	Mutual Fund, Shares: 120,506.5004	**	3,285,007
	JP Morgan Mid Cap Value Institutional	Mutual Fund, Shares: 65,118.1950	**	2,286,951
	PIMCO Total Return Institutional Fund	Mutual Fund, Shares: 436,410.8118	**	4,665,232
	T. Rowe Price Blue Chip Growth Advisor Cl	Mutual Fund, Shares: 79,341.2291	**	5,100,848
	Thornburg International Value R5	Mutual Fund, Shares: 128,691.7279	**	4,120,709
	Vanguard Inflation Protection Sec	Mutual Fund, Shares: 2,751.8344	**	35,719
	Vanguard Total Int'l Stock Index	Mutual Fund, Shares: 22,113.6633	**	743,019
	Virtus Real Estate Sec I	Mutual Fund, Shares: 25,451.9348	**	824,897
	Vanguard Admiral Treasury Money Market Fund	Money market fund	**	2,570
	Vanguard Prime Money Market Fund	Money market fund	**	6,898
	Participant loans	Loans issued for terms for 1-10 years with 3.25% - 7.25% interest		519,834
				$ 48,959,653

(1) Included in the Guaranteed Income Fund is $34,092 of nonparticipant-directed, unallocated forfeitures.

(2) Effective October 16, 2013, Waddell & Reed Investment Management commenced managing the Fund. Performance management prior to October 16, 2013 is that of Goldman Sachs.

* Denotes party-in-interest.
** Cost information not required for participant directed investments.