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
THE CANNON CORPORATION 401(K) PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/1984

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

THE CANNON CORPORATION

2170 WHITEHAVEN ROAD
GRAND ISLAND, NY 14072-2091

2b Employer Identification Number (EIN)
16-0698950

2c Sponsor's telephone number
716-773-6800

2d Business code (see instructions)
541310

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.	10/13/2014	PATRICIA S. BEAGLE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	PATRICIA S. BEAGLE
	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 [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	1318
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**	834
b	Retired or separated participants receiving benefits	**6b**	19
c	Other retired or separated participants entitled to future benefits	**6c**	422
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1275
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	2
f	Total. Add lines **6d** and **6e**.	**6f**	1277
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1256
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:
2E 2F 2H 2J 2K 2S 2T

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)	[X]	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)	[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)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[X]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

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 THE CANNON CORPORATION 401(K) PLAN	**B** Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 THE CANNON CORPORATION	**D** Employer Identification Number (EIN) 16-0698950

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

THE VANGUARD GROUP, INC.

23-1945930

(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)

THE VANGUARD GROUP, INC.

23-1945930

(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 25 37 52 59	NONE	14529	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 [ ]

(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
THE VANGUARD GROUP, INC.	99	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.
DODGE AND COX 94-1441976	10 BPS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	99	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.
ROYCE AND ASSOCIATES, INC. 13-6106015	10 BPS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THE VANGUARD GROUP, INC.	99	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.
FRANKLIN TEMPLETON DISTRIBUTORS,INC 94-2990534	15 BPS

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
THE CANNON CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
16-0698950

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: VANGUARD RETIREMENT SAVINGS TRUST

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

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)
23-2186884-022	C	2165423

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)

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
THE CANNON CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
16-0698950

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)	642207	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	789134	852662
(9) Value of interest in common/collective trusts	1c(9)	1820244	2165423
(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)	80345583	95731017
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	8560034	9451361
(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	92157202	108200463
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	
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	92157202	108200463

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)	1554492	
(B) Participants	2a(1)(B)	5198267	
(C) Others (including rollovers)	2a(1)(C)	512298	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		7265057
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)	33295	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		33295
(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)	2704885	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2704885
(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)	518036	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		518036

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		34520
(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)		14776359
c Other income	2c		373
d Total income. Add all **income** amounts in column (b) and enter total	2d		25332525

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	9268257	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	7563	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		9275820
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)	13444	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		13444
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		9289264

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		16043261
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: JEFFREY L. OFFHAUS CPA, LLC **(2)** EIN: 20-2368569

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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
THE CANNON CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
16-0698950

Part I Distributions

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

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

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 23-2186884

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):

The Cannon Corporation
401(k) Plan

Financial Statements as of December 31, 2013 and 2012
and for the Year Ended December 31, 2013,
Supplemental Schedule, and
Independent Auditor's Report

The Cannon Corporation 401(K) Plan

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JEFFREY L. OFFHAUS CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

Plan Trustees and Participants
The Cannon Corporation 401(k) Plan

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of The Cannon Corporation 401(k) 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 year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My 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, I was 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 me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Vanguard Fiduciary Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. I have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodian is complete and accurate.

Sterling Commons / 240 Redtail Road, Suite 12B / Orchard Park, NY 14127
716-608-4322 / 716-408-8870 (fax) / www.offhauscpa.com

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2013 listed in the table of contents is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, I do not express an opinion on this supplemental schedule.

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 custodian, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my 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.



Orchard Park, New York
September 30, 2014

The Cannon Corporation 401(k) Plan

Statements of Net Assets Available for Benefits
December 31, 2013 and 2012

	2013	2012
Assets		
Investments, at fair value:		
Participant-directed:		
Registered investment companies	$ 95,731,017	$ 80,345,583
Common/collective trust	2,225,769	1,914,438
The Cannon Corporation common stock	296,657	343,159
	98,253,443	82,603,180
Nonparticipant-directed:		
The Cannon Corporation common stock	9,154,704	8,216,875
Total investments	107,408,147	90,820,055
Receivables:		
Notes receivable from participants	852,662	789,134
Employer contributions receivable	-	642,207
Total receivables	852,662	1,431,341
Total assets	108,260,809	92,251,396
Liabilities		
Other liabilities	-	-
Net assets reflecting investments at fair value	108,260,809	92,251,396
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(60,346)	(94,194)
Net assets available for benefits	$ 108,200,463	$ 92,157,202

See accompanying notes to financial statements.

The Cannon Corporation 401(k) Plan

Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2013

	Participant-Directed		Non-Participant-Directed	
	Investments	Company Stock	Company Stock	Total
Additions:				
Additions to net assets attributable to:				
Investment income:				
Net appreciation in fair value of investments	$ 14,810,879	$ 47,828	$ 470,208	$ 15,328,915
Interest and dividend income	2,704,885	-	-	2,704,885
Interest income - participant loans	33,295	-	-	33,295
Net investment income	17,549,059	47,828	470,208	18,067,095
Contributions:				
Employer matching	692,366	-	862,126	1,554,492
Participants	5,198,267	-	-	5,198,267
Participant rollovers	512,298	-	-	512,298
Other	373	-	-	373
Total contributions	6,403,304	-	862,126	7,265,430
Total additions	23,952,363	47,828	1,332,334	25,332,525
Deductions:				
Deductions from net assets attributable to:				
Benefits paid to participants	9,275,820	-	-	9,275,820
Administrative expenses	13,444	-	-	13,444
Total deductions	9,289,264	-	-	9,289,264
Net increase	14,663,099	47,828	1,332,334	16,043,261
Net transfers	856,502	(94,330)	(762,172)	-
Net assets available for benefits:				
Beginning of year	83,229,501	343,159	8,584,542	92,157,202
End of year	$ 98,749,102	$ 296,657	$ 9,154,704	$ 108,200,463

See accompanying notes to financial statements.

The Cannon Corporation 401(k) Plan

Notes to Financial Statements

1. Description of Plan

The following description of The Cannon Corporation 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provision. Information about the Plan agreement and the vesting and benefit provisions is contained in *The Cannon Corporation 401(k) Plan's Summary Plan Description.*

General. The Plan is a defined contribution plan which covers all employees of The Cannon Corporation (the "Plan Sponsor" or "Company") and subsidiaries who have met the age requirement of twenty-one years. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions. Each year, participants may contribute up to 50% of annual compensation, as defined in the Plan document, to the Plan. Participants who have attained the age 50 before the end of the Plan year are eligible to make catch-up contributions. Roth, or after tax deferrals, are also permitted under the Plan. Participants may also contribute amounts representing distributions from other qualified plans.

The Plan Sponsor may match any or all of the participant contributions and, at the option of the Board of Directors of the Company, may contribute additional amounts to the Plan. Further, the Plan Sponsor may decide, in its sole and absolute discretion, to make matching contributions for officers of the Company to the Cannon Non-Qualified Plan in lieu of matching contributions to the Plan. The Board of Directors of the Company approved a matching contribution of 50% of the first 6% of eligible participant contributions for 2013. The employer matching contribution is made only to those participants employed at the Plan year-end. For 2013, the Plan Sponsor's matching contributions to Officers of the Company were made in the form of The Cannon Corporation common stock ("Cannon Stock"). The Plan Sponsor's matching contributions to non-officers of the Company were made in cash or in Cannon Stock at the election of the participant. Company contributions made in the form of Cannon Stock in Non-participant directed accounts cannot be transferred to any other investment option.

Contributions are subject to certain limitations.

The initial election of the amount of employee contributions is made by each participant at the beginning of any pay period. Additionally, participants may elect one of several available investment options; however employee elective deferrals into Cannon Stock are not permitted. Participants have the opportunity to change their options previously elected at any time.

Newly hired eligible employees are automatically enrolled in the Plan with a payroll deferral of 4% increasing 1% annually up to a maximum of 10%. Eligible employees may decline participation within 30 days and may change deferral percentages at any time under the Plan.

Restriction of Transfer – Cannon Stock. All Cannon Stock shares held within the Plan shall be redeemed upon termination of employment by a participant for any reason with the Company in accordance with the Plan agreement and Company policies.

Participant Accounts. For all investment options, each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contribution, if any, and (b) Plan earnings or losses. Allocations are based on participant salary deferral agreements and account balances, respectively, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting. Participants are 100% vested in the Plan upon entry into the Plan for both participant and Company contributions.

Payment of Benefits. Upon termination of service due to retirement, death, or disability, a participant with a vested benefit in excess of $5,000 may elect to keep the benefit in the Plan or to receive either a lump-sum amount equal to the value of his or her account, or various monthly installment packages. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or as an eligible rollover distribution, as defined. If the participant elects to keep the vested contributions in the Plan, an administrative fee is charged against the participant's account. Vested accounts of less than $5,000 may not be kept in the Plan.

Notes Receivable from Participants. Participants in the Plan may borrow from their fully vested account balance in accordance with the Plan document. Generally, loans are repaid at terms ranging from one to five years. Interest charged on the loans will be at a reasonable rate as prescribed in the Plan document. The Plan restricts a participant to have only one outstanding loan at any time.

Plan Recordkeeping. With the exception of the Plan's investments in Cannon Stock, Vanguard Fiduciary Trust Company, the custodian of the Plan has sole authority over all transactions made on behalf of the Plan and reports the investment return as well as net assets available for benefits to the trustee committee on a quarterly basis.

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

2. Summary of Accounting Policies

Basis of Accounting. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Vanguard Retirement Savings Trust is a common collective trust fund that is considered to be a stable value fund with underlying investments in investment contracts and is valued at fair value and then adjusted by the issuer to contract value. The statements of net assets available for benefits presents the fair value of the investment contracts as well as an adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis for fully benefit-responsive contracts.

Investment Valuation and Income Recognition. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

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

Payment of Benefits. Benefits are recorded when paid.

Excess Contributions Payable. As of the report date, the Company had not completed its discrimination testing for the year ended December 31, 2013. Management of the Company believes the amount of refunds, if any, resulting from the 2013 testing would not be material to the Plan's financial statements.

Plan Expenses. Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates. The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Subsequent Events. The Plan has evaluated subsequent events through September 30, 2014, the date the financial statements were available to be issued.

3. Fair Value Measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The Company's policy is to recognize transfers in and out of "Levels" as of the end of the reporting period.

Following is a description of the valuation methodologies used for the assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Registered Investment Companies — The Plan's investments in registered investment companies (mutual funds) are valued at fair value and are based on publicly quoted market prices which represent the Net Asset Values (NAVs) of shares held by the Plan at year-end.

Common Collective Trust —The Plan's interest in the common collective trust is valued based on information reported by the investment advisor using the audited financial statements of the common collective trust at year end. Fair value is based on the value of the underlying assets divided by the number of units outstanding.

Cannon Corporation Common Stock — The Plan's investment in Cannon Stock is valued at the adjusted net book value per share of the underlying equity of the Company at December 31, 2013 and 2012, respectively. This method of valuation is consistent with all Cannon Stock transactions, including but not limited to transactions with the Company's other benefit plans, and sales and purchases to Company Officers in accordance with individual shareholders agreements. Contributions to the Plan that are invested in Cannon Stock, and distributions from the Plan of amounts invested in Cannon Stock, are based on the previous audited December 31 adjusted net book value per share (total shareholders' equity divided by total outstanding shares of the Company).

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012:

		Fair Value at December 31,	
	Hierarchy	**2013**	**2012**
Registered Investment Companies:			
Short-term reserves	Level 1	$ 3,916,469	$ 4,343,352
Bond funds	Level 1	9,090,147	11,185,123
Balanced funds	Level 1	30,185,608	23,206,335
Domestic stock funds	Level 1	42,269,490	32,606,136
International stock funds	Level 1	6,374,452	5,697,094
Specialty stock funds	Level 1	3,894,851	3,307,543
		95,731,017	80,345,583
Common Collective trust -			
Short-term reserves	Level 2	2,225,769	1,914,438
Common stock -			
Cannon Corporation	Level 3	9,451,361	8,560,034
Totals		$ 107,408,147	$ 90,820,055

The Plan's level 3 assets for the year ended December 31, 2013 include net appreciation of $518,036, purchases of $1,229,794 and sales of $856,503. The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date were $518,036.

4. Investments

The following presents investments that represent 5 percent or more of the Plan's net assets at December 31, 2013 and 2012.

Investment	December 31, 2013	December 31, 2012
Vanguard 500 Index Fund Investor Shares	$ 10,278,887	$ 7,999,332
Vanguard PRIMECAP Fund	8,085,050	6,309,087
Vanguard Windsor II Fund Investor Fund	6,823,703	6,044,642
Vanguard Int'l Growth Fund	5,594,734	5,039,475
Vanguard Target Retirement 2025 Fund [(1)]	5,561,496	4,530,761
Vanguard Small Cap Index Fund [(1)]	5,486,671	3,869,542
The Cannon Corporation common stock	9,451,361	8,560,034

[(1)] Shown for comparative purposes only. Investment did not exceed 5% of the plan's assets at December 31, 2012.

During 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:

Registered investment companies	$ 14,776,359
Common collective trust	34,520
The Cannon Corporation common stock	518,036
	$ 15,328,915

The Plan's investment in the Vanguard Retirement Savings Trust in a common collective trust, which holds fully benefit-responsive contracts. The average yield and crediting interest rate for the Vanguard Retirement Savings Trust were 1.98% and 1.56% for 2013, respectively. The crediting interest rates are based on a formula agreed upon with the issuers. Certain events limit the ability of the Plan to transact at contract value with the issuer. Participant-directed redemptions have no restrictions; however, the certain Plan-directed withdrawals may be subject to limitations in accordance with the provisions of the agreement. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The plan administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring.

5. Related Party Transactions

The Plan invests in securities managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company acts as custodian for only those investments as defined by the Plan. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules.

Certain employees and officers of the Company, who may also be participants in the Plan, perform administrative services to the Plan at no cost to the Plan.

At December 31, 2013 and 2012, the Plan held 372,688 and 357,114 shares, respectively, of Cannon Stock with a cost basis of $4,533,390 and $4,138,452, respectively.

6. Tax Status

The Plan obtained its latest determination letter dated September 13, 2011, 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. Therefore, they believe that the plan was qualified and the related trust was tax-exempt as of the financial statement date.

The plan is subject to routine audits by taxing jurisdictions. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

7. Financial Information Certified by Custodian (Unaudited)

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements and supplemental schedule that was prepared by Vanguard Fiduciary Trust Company, the custodian of the Plan, and furnished to the plan administrator. The plan administrator has obtained certifications from the custodian that such information is complete and accurate as of December 31, 2013 and 2012 and for the year ended December 31, 2013.

	December 31, 2013	December 31, 2012
Statements of Net Assets Available for Benefits:		
Investments:		
Registered investment companies	$ 95,731,017	$ 80,345,583
Common/collective trust (at contract value) [(1)]	2,165,423	1,820,244
Participant loans	852,662	789,134

[(1)] The fair value was $2,225,769 and $1,914,438 as of December 31, 2013 and 2012, respectively.

	2013
Statement of Changes in Net Assets Available for Benefits:	
Net appreciation in fair value of investments	$ 14,810,879
Dividend income	2,704,885
Interest income	33,295

Supplemental Schedule – all investment balances and information except for Cannon Stock.

Note 3 – all investment balances in the Note except for Cannon Stock and for the classification of investments within the fair value hierarchy.

Note 4 – all investment balances and information in the Note except for Cannon Stock.

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The Cannon Corporation 401(k) Plan

EIN 16-0698950 Plan No. 003
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2013

(a)	(b) Identity of Issuer, 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
Registered Investment Companies:				
*	Calamos Growth	Registered Investment Company	$ -	$ 640,310
*	Dodge & Cox Balanced Fund	Registered Investment Company	-	2,524,167
*	Fidelity Contrafund	Registered Investment Company	-	1,336,753
*	PIMCO Total Return Fd, Admin	Registered Investment Company	-	2,864,199
*	Royce PA Mutual Fund	Registered Investment Company	-	2,627,758
*	Templeton Global Bond Fund, Advisor	Registered Investment Company	-	727,348
*	Vanguard 500 Index Inv	Registered Investment Company	-	10,278,887
*	Vanguard Capital Opportunity	Registered Investment Company	-	2,058,126
*	Vanguard Dividend Appr Index Fund	Registered Investment Company	-	262,841
*	Vanguard Emerging Markets Stock Index	Registered Investment Company	-	311,257
*	Vanguard Extend Mkt Index Inv	Registered Investment Company	-	3,114,985
*	Vanguard GNMA Investor Shares	Registered Investment Company	-	795,295
*	Vanguard Health Care	Registered Investment Company	-	2,010,576
*	Vanguard Infla-Pro Secur	Registered Investment Company	-	780,948
*	Vanguard Intermediate-Term Investment	Registered Investment Company	-	42,841
*	Vanguard Int'l Growth Fund	Registered Investment Company	-	5,594,734
*	Vanguard LT Treasury Inv	Registered Investment Company	-	958,421
*	Vanguard Morgan Growth Inv	Registered Investment Company	-	1,511,565
*	Vanguard PRIMECAP Fund	Registered Investment Company	-	8,085,050
*	Vanguard Precious Metals and Mining	Registered Investment Company	-	230,824
*	Vanguard Prime Money Mkt	Registered Investment Company	-	3,916,469
*	Vanguard REIT Index Fund	Registered Investment Company	-	1,653,451
*	Vanguard ST Treasury Inv	Registered Investment Company	-	446,942
*	Vanguard Sm-Cap Index Inv	Registered Investment Company	-	5,486,671
*	Vanguard Total Bond Mkt Index	Registered Investment Company	-	2,516,994
*	Vanguard Total Intl Stock Index Fund	Registered Investment Company	-	468,461
*	Vanguard Windsor II Fund Inv	Registered Investment Company	-	6,823,703
*	Vanguard Target Retirement 2010 Fund	Registered Investment Company	-	552,445
*	Vanguard Target Retirement 2015 Fund	Registered Investment Company	-	2,066,937
*	Vanguard Target Retirement 2020 Fund	Registered Investment Company	-	2,721,814
*	Vanguard Target Retirement 2025 Fund	Registered Investment Company	-	5,561,496
*	Vanguard Target Retirement 2030 Fund	Registered Investment Company	-	2,936,550
*	Vanguard Target Retirement 2035 Fund	Registered Investment Company	-	4,893,448
*	Vanguard Target Retirement 2040 Fund	Registered Investment Company	-	2,364,135
*	Vanguard Target Retirement 2045 Fund	Registered Investment Company	-	3,789,138
*	Vanguard Target Retirement 2050 Fund	Registered Investment Company	-	1,942,733
*	Vanguard Target Retirement 2055 Fund	Registered Investment Company	-	199,721
*	Vanguard Target Retirement 2060 Fund	Registered Investment Company		9,509
*	Vanguard Target Retirement Income	Registered Investment Company	-	623,515
				95,731,017
*	Vanguard Retirement Savings Trust {a}	Common/Collective Trust	-	2,165,423
*	The Cannon Corporation	Common Stock, 372,687 shares	$ 4,533,390	9,451,361
*	Participant loans	3.25% - 4.25%	$ 0	852,662
TOTAL				$ 108,200,463

* Party-in-interest to the Plan.

****** Cost information is not required for participant-directed investments and, therefore, is not included.

{a} Represents contract value. The fair value of this investment was $2,225,769 at December 31, 2013.

The Cannon Corporation 401(k) Plan

EIN 16-0698950 Plan No. 003
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
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