

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan PRECISION AEROSPACE CORPORATION 401(K) RETIREMENT PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">001</td> </tr> <tr> <td colspan="2">1c Effective date of plan 11/01/1984</td> </tr> </table>	1b Three-digit plan number (PN) ▶	001	1c Effective date of plan 11/01/1984	
1b Three-digit plan number (PN) ▶	001				
1c Effective date of plan 11/01/1984					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) PRECISION AEROSPACE CORPORATION 5300 CORPORATE GROVE SE SUITE 350 GRAND RAPIDS, MI 49512-5512	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 38-1817912</td> </tr> <tr> <td>2c Plan Sponsor's telephone number 616-243-8112</td> </tr> <tr> <td>2d Business code (see instructions) 336410</td> </tr> </table>	2b Employer Identification Number (EIN) 38-1817912	2c Plan Sponsor's telephone number 616-243-8112	2d Business code (see instructions) 336410	
2b Employer Identification Number (EIN) 38-1817912					
2c Plan Sponsor's telephone number 616-243-8112					
2d Business code (see instructions) 336410					

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.	07/08/2015	WILLIAM HOYER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/08/2015	WILLIAM HOYER
	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		3b Administrator's EIN	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	206
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	175
a(2) Total number of active participants at the end of the plan year		6a(2)	164
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	18
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	182
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	182
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	179
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	3
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 2G 2J 2K 2S 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan PRECISION AEROSPACE CORPORATION 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PRECISION AEROSPACE CORPORATION	D Employer Identification Number (EIN) 38-1817912

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.
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1 Coverage Information:

(a) Name of insurance carrier

PRINCIPAL LIFE INSURANCE COMPANY

(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
42-0127290	61271	806756	182	01/01/2014	12/31/2014

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
713	446

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

VANSTRIEN, JEFFREY D.
2851 CHARLEVOIX DR SE
STE 110
GRAND RAPIDS, MI 49546-7089

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
713	446	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

(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	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

(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	

(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	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	447025

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 ▶

b Balance at the end of the previous year.....	7b	
c Additions: (1) Contributions deposited during the year.....	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account.....	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions.....	7c(6)	
d Total of balance and additions (add lines 7b and 7c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account.....	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions.....	7e(5)	
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

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) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan PRECISION AEROSPACE CORPORATION 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PRECISION AEROSPACE CORPORATION	D Employer Identification Number (EIN) 38-1817912

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation PRINCIPAL LIFE INSURANCE COMPANY 42-0127290

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

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

VANSTRIEN, JEFFREY D.

37-3642587

(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?
49 55 99	OTHER SERVICES	0	Yes ☒ No ☐	Yes ☐ No ☒	5696	Yes ☐ No ☒

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	11461	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

WILSHIRE ASSOCIATES INCORPORATED

95-2755361

(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?
27 72	INVESTMENT ADVISORY	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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
VANSTRIEN, JEFFREY D.	49 55 99	5696

(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.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	COMMISSIONS AND REFERRAL/SERVICE FEE

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
WILSHIRE ASSOCIATES INCORPORATED	27 72	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.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	2 BASIS POINTS ANNUALLY ON TOTAL ASSETS UP TO \$10 BILLION, 1 BASIS POINT FOR ASSETS GREATER THAN \$10 BILLION, AND 0.50 BASIS POINTS (STARTING JANUARY 1, 2014) FOR ASSETS GREATER THAN \$17 BILLION IN WILSHIRE'S 3(21) INVESTMENT FIDUCIARY SERVICE.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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 <hr/> 2014 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>PRECISION AEROSPACE CORPORATION 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PRECISION AEROSPACE CORPORATION</u>	D Employer Identification Number (EIN) <u>38-1817912</u>	

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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRINCIPAL STABLE VALUE FUND</u>			
b Name of sponsor of entity listed in (a): <u>UNION BOND & TRUST COMPANY</u>			
c EIN-PN <u>93-6274328-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>162605</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP SEP ACCT-R4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-020</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>7139</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL SMALLCAP SEP ACCT-R4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-014</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>29414</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN BOND AND MORTGAGE SA-R4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-005</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4252</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIVERSIFIED INTL SA-R4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-015</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>21895</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-R4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>76196</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP S&P 600 INDEX SA-R4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-028</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>40295</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-023	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 96703
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGE CAP GROWTH I SA-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-066	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 91111
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN PREF SECS SEP ACCT-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-087	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6918
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN REAL ESTATE SECS SA-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-095	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 35501
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2010 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4124
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2015 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-002	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 104054
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2020 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-003	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 213392
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2025 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-004	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 844898
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2030 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-005	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 368153
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2035 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-006	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 487263

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2040 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-007	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 213302
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2045 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-008	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 195402
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2050 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-009	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 134691
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2055 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-010	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25975
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST INCOME FUND R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-011	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INCOME SEP ACCT-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-118	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN EQUITY INCOME SA-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-120	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18882
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL EQUITY INDEX SA-R4		
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-121	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18719
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN TRUST TGT 2060 FD R4		
b Name of sponsor of entity listed in (a): PRINCIPAL TRUST COMPANY		
c EIN-PN 26-6447574-012	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25686
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
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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>PRECISION AEROSPACE CORPORATION 401(K) RETIREMENT PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PRECISION AEROSPACE CORPORATION</u>		D Employer Identification Number (EIN) <u>38-1817912</u>

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)	0	0
(2) Participant contributions.....	1b(2)	0	13898
(3) Other.....	1b(3)	0	0
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)	100047	85425
(9) Value of interest in common/collective trusts	1c(9)	2543857	2779571
(10) Value of interest in pooled separate accounts	1c(10)	292982	447025
(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)	231157	245085
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(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	3168043	3571004

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3168043	3571004
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(B) Participants	2a(1)(B)	335626	
(C) Others (including rollovers)	2a(1)(C)	56873	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		392499
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	3530	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3530
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1410	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1410
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		149115
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		35514
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		7693
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		589761

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	172939	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		172939
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	2400	
(2) Contract administrator fees.....	2i(2)	11461	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		13861
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		186800

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		402961
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(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: **DK WEISS & ASSOCIATES, PLLC**

(2) EIN: **30-0022324**

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	0
4b		X	0

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?	X		300000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?.....		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan PRECISION AEROSPACE CORPORATION 401(K) RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PRECISION AEROSPACE CORPORATION		D Employer Identification Number (EIN) 38-1817912
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): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2014 v. 140124		

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): _____

Precision Aerospace Corporation
401(k) Retirement Plan

FINANCIAL REPORT

December 31, 2014

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Precision Aerospace Corporation 401(k) Retirement Plan
Grand Rapids, Michigan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Precision Aerospace Corporation 401(k) Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the 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 described in Note 7, which was certified by Principal Life Insurance Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We 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 and for the year ended December 31, 2014, that the information provided to the plan administrator by the custodian 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

The supplemental schedule of assets held at year end as of December 31, 2014 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, it is inappropriate to and we 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, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is 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.

D.K. Weiss & Associates, PLLC

Kentwood, Michigan
July 6, 2015

D.K. Weiss & Associates, PLLC

Certified Public Accountants

4660 N. Breton Ct., Ste 102, Kentwood, MI 49508 p 616.871.1233 f 616.871.1244 w dkweiss.com

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2014	2013
Assets		
Participant-directed investments, at fair value:		
Registered investment companies	\$ 245,085	\$ 231,157
Pooled separate accounts	447,025	292,982
Common collective trusts	<u>2,779,571</u>	<u>2,543,857</u>
Total participant-directed investments, at fair-value	3,471,681	3,067,996
Contributions Receivable:		
Employer	-	-
Participant	<u>13,898</u>	<u>-</u>
Total contributions receivable	13,898	-
Notes Receivable from Participants	<u>85,425</u>	<u>100,047</u>
Net Assets Available for Benefits at Fair Value	3,571,004	3,168,043
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(1,710)</u>	<u>(865)</u>
Net Assets Available for Benefits	<u><u>\$ 3,569,294</u></u>	<u><u>\$ 3,167,178</u></u>

See accompanying notes to financial statements.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31,	
	2014	2013
Additions		
Additions to net assets attributed to:		
Investment income		
Net appreciation in fair value of investments	\$ 191,477	\$ 461,150
Interest and dividends	4,940	5,437
Total investment income	196,417	466,587
Less investment expenses	-	-
Total additions attributed to investments	196,417	466,587
Contributions:		
Participant	335,626	269,999
Employer	-	-
Rollover	56,873	23,603
Total contributions	392,499	293,602
Total additions	588,916	760,189
Deductions		
Deductions from net assets attributed to:		
Benefits paid to participants	172,939	116,453
Administrative expenses and other	13,861	4,353
Total deductions	186,800	120,806
Net Increase in Net Assets Available for Benefits	402,116	639,383
Net Assets Available for Benefits		
Beginning of year	3,167,178	2,527,795
End of year	<u>\$ 3,569,294</u>	<u>\$ 3,167,178</u>

See accompanying notes to financial statements.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Precision Aerospace Corporation 401(k) Retirement Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

Effective November 1, 1984, Precision Aerospace Corporation (the “Company”) implemented a defined contribution plan. The Plan covers substantially all employees of the Company and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan has been amended from time to time to comply with current legislation and management believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Eligibility

Employees are eligible to participate in the Plan on the first January 1, April 1, July 1, or October 1 following the attainment of age 18.

Contributions

Participants may make voluntary contributions to the Plan of up to 100% of their annual eligible compensation, but not in excess of the maximum amount permitted by the Internal Revenue Code. The Company may elect to make a matching contribution determined annually. There was no Company matching contribution during 2014 or 2013.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Participant accounts

Upon enrollment in the Plan, or at any time subsequent, a participant may direct contributions into any of the available investment options. Each participant's account is credited with contributions in an amount equal to the salary reduction elected by that employee and any related matching contribution. Earnings and administrative expenses are allocated based on the participant's account balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting

Each participant's account is credited with voluntary contributions and an allocation of Plan earnings based on the participant's account balance. Participants are immediately vested in their elective deferral, plus actual earnings.

Employer matching contributions vest based on years of continuous service. Specifically, employer-matching contributions are 0% vested until the participant completes three years of service. After three years of service, all employer-matching contributions are 100% vested.

Loans

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates as determined by the Plan administrator. Repayment of loan principal and interest are made through regular payroll deductions for a period of up to 60 months. If a participant's employment terminates for any reason and the loan balances are not paid in full within 90 days of termination, the loan balances will be deemed distributed and become taxable income to the participant. Participants may continue to make loan repayments after termination of employment under procedures established by the Plan administrator.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Forfeitures

Forfeitures of non-vested Company matching or profit sharing contributions from terminated participant accounts are used to offset future Company matching contributions, future Company profit sharing contributions, or to pay expenses of Plan administration, as determined by Plan management. At December 31, 2014 and 2013, forfeited non-vested accounts totaled \$384 and \$4,739, respectively.

Benefit Payments

Generally, benefits are paid to participants at termination. When the service period ends as a result of death or retirement, the participant or beneficiary will receive a lump sum distribution equal to the value of their accounts. Participants may elect to defer receipt of benefits. At December 31, 2014 and 2013, the Plan had obligations to terminated employees totaling \$580,389 and \$623,319, respectively.

Investment Options

All investments are participant directed among various Principal Life Insurance Company investment options at December 31, 2014 and 2013.

Administrative Expenses

Certain plan administrative fees are absorbed by the Company and certain administrative fees are paid by the Plan. Administrative fees paid by the Plan amounted to \$13,861 and \$4,353 during 2014 and 2013, respectively.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared under the accrual basis of accounting.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans* (the FSP), 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. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the 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 on a contract value basis.

Payment of Benefits

Benefits are recorded when paid.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Valuation of Investments

Investments are held with Principal Life Insurance Company, the Plan custodian, in registered investment companies, pooled separate accounts ('PSA'), and common collective trusts. Several plans participate in a PSA with each plan's share of the PSA determined on a per unit basis. The Plan's equity account provides a cumulative record of the number of participation units credited to the accounts and the number of units allocated or withdrawn from the account. The balance of participation units credited to the account multiplied by the current participation-unit value equals the amount of equity account assets held on behalf of the policyholder at any given time. The participation-unit value is adjusted daily to reflect investment results under the separate account.

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 based on quoted market prices.

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.

Use of Estimates

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

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 3 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. In the event of termination, the plan custodian shall hold the funds for distribution and distribute to the participants their full account balance on the date of such termination, less the administrative cost to the custodian for such distribution, in accordance with the Plan provisions.

NOTE 4 – TAX STATUS

The Company's Board of Directors adopted the Volume Submitter Profit Sharing 401(k) Plan document. The Plan document has received an opinion letter dated March 31, 2008 from the Internal Revenue Service stating that the written form of the underlying prototype plan document is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and that any employer adopting this form of the Plan will be considered to have a plan qualified under Section 401(a) of the Code. The Plan is required to operate in conformity with the Code to maintain qualification.

Although the Plan has been amended since receiving the determination letter, management believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, believes the Plan is qualified and the related trust is tax exempt.

The Plan has adopted the provisions of ASC Topic 740, *Income Taxes*, relating to uncertain tax positions. ASC Topic 740 provides a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. Specifically, the Plan must recognize a tax liability (or asset) if the Plan has taken an uncertain position that *more likely than not* would not be sustained upon examination by applicable taxing authorities.

The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there were no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 5 – INVESTMENT CONTRACTS WITH INSURANCE COMPANY

The Plan holds benefit-responsive common collective trusts through Principal Stable Value Signature Fund ('Principal'). Principal maintains the contributions in a general account. The account is credited with contributions and earnings on the underlying investments and is charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, 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. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 1, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attributable for that portion of the net assets available for benefits attributable to the common collective trust. Contract value, as reported to the Plan by Principal; represent contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of the investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the common collective trust investment contract held by Principal as of December 31, 2014 and 2013 was \$162,605 and \$142,953, respectively. The crediting interest rate is based on a formula agreed upon by the issuer. Such interest rates are reviewed on a periodic basis.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include: (a) amendments to the Plan documents (including complete or partial plan termination or merger with another plan), (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the Plan sponsor or other Plan sponsor events (i.e. divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (d) the failure of the trust to qualify for exemption under ERISA.

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.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 6 – PARTY-IN-INTEREST TRANSACTIONS

Certain plan assets are in investment funds managed by Principal Life Insurance Company. Therefore, transactions with Principal Life Insurance Company qualify as party-in-interest transactions.

NOTE 7 – INVESTMENTS - UNAUDITED

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Principal Life Insurance Company, the custodian of the Plan, has certified the completeness and accuracy of all investment information reflected in the accompanying statements of net assets available for benefits as of December 31, 2014 and 2013, the 2014 schedule of assets held at year end, the related investment activity reflected in the statements changes in net assets available for benefits for 2014, and the following information:

Investments that represent 5% or more of the Plan's net assets at December 31, 2014 and 2013 are as follows:

	2014	2013
Principal Trust Target 2020 Fund	\$ 213,392	\$ 213,549
Principal Trust Target 2025 Fund	844,898	798,918
Principal Trust Target 2030 Fund	368,153	300,035
Principal Trust Target 2035 Fund	487,263	415,315
Principal Trust Target 2040 Fund	213,302	222,387
Principal Trust Target 2045 Fund	195,402	165,200
Principal Trust Target 2050 Fund	n/a	170,204

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). ASC Topic 820 requires fair value measurements to be separately disclosed by level within the fair value hierarchy.

The three levels of fair value hierarchy under ASC Topic 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 market 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; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS
(CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

Assets at Fair Value - December 31, 2014				
Description	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 245,085	\$ -	\$ -	\$ 245,085
Pooled separate accounts	-	447,025	-	447,025
Common collective trusts	-	2,779,571	-	2,779,571
Total investments at fair value:	<u>\$ 245,085</u>	<u>\$ 3,226,596</u>	<u>\$ -</u>	<u>\$ 3,471,681</u>

Assets at Fair Value - December 31, 2013				
Description	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 231,157	\$ -	\$ -	\$ 231,157
Pooled separate accounts	-	292,982	-	292,982
Common collective trusts	-	2,543,857	-	2,543,857
Total investments at fair value:	<u>\$ 231,157</u>	<u>\$ 2,836,839</u>	<u>\$ -</u>	<u>\$ 3,067,996</u>

The Plan held no Level 3 assets at December 31, 2014 or 2013. As a result, there are no changes in fair value of Level 3 assets to report for either year.

Registered investment companies are valued at the net asset value ('NAV') of shares held by the Plan at year-end.

Pooled separate accounts are valued at the current participation-unit value of units held by the Plan at year-end. The unit value is valued at the NAV of underlying variable portfolio fund shares held by the portfolio at year-end.

Common collective trusts ('CCT') are valued at the NAV of the underlying investments of the trust.

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

**NOTE 9 – RECONCILIATION OF FINANCIAL STATEMENTS TO
FORM 5500**

The following is a reconciliation of Plan earnings from the financial statements during 2014 to Schedule H of Form 5500:

Net increase in net assets available for benefits (financial statements)	\$ 402,116
Change in adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>845</u>
Net income (Form 5500)	<u><u>\$ 402,961</u></u>

NOTE 10 – SUBSEQUENT EVENTS

In accordance with ASC Topic 855, *Subsequent Events*, the Plan's management has evaluated subsequent events through July 6, 2015, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

PRECISION AEROSPACE CORPORATION 401(k) RETIREMENT PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
FORM 5500, SCHEDULE H, ITEM 4i
EIN 38-1817912 PLAN No. 001
DECEMBER 31, 2014

(a)	(b)	(c)	(d)	(e)
Identity of Issuer, Borrower, Lessor, or				
Similar Party	Description of Investment	Cost	Current Value	
American Funds Service Company	American Funds EuroPacific Growth Fund	n/a	\$	69,329
American Century Investments	American Centruy MidCap Value Fund	n/a		27,072
Columbia Funds	Columbia Mid Cap Growth Fund	n/a		5,602
Fidelity Investments	Fidelity Advantage Dividend Growth Fund	n/a		50,699
Heartland Funds	Heartland Value Plus Fund	n/a		40,578
Lord Abbett	Lord Abbett Developed Growth Fund	n/a		51,805
Total registered investment companies			\$	245,085
* Principal Life Insurance	Principal Bond and Mortgage Separate Account	n/a	\$	4,252
* Principal Life Insurance	Principal Diversified International Separate Account	n/a		21,895
* Principal Life Insurance	Principal Equity Income Separate Account	n/a		18,882
* Principal Life Insurance	Principal Income Separate Account	n/a		18,719
* Principal Life Insurance	Principal International SmallCap Separate Account	n/a		29,414
* Principal Life Insurance	Principal LargeCap Growth Separate Account	n/a		91,111
* Principal Life Insurance	Principal LargeCap S&P 500 Index Separate Account	n/a		76,196
* Principal Life Insurance	Principal MidCap S&P 400 Index Separate Account	n/a		96,703
* Principal Life Insurance	Principal MidCap Separate Account	n/a		7,139
* Principal Life Insurance	Principal Preferred Sector Separate Account	n/a		6,918
* Principal Life Insurance	Principal Estate Sector Separate Account	n/a		35,501
* Principal Life Insurance	Principal SmallCap S&P 600 Index Separate Account	n/a		40,295
Total pooled separate accounts			\$	447,025
* Principal Trust Company	Principal Trust Income Fund	n/a	\$	25
* Principal Trust Company	Principal Trust Target 2010 Fund	n/a		4,124
* Principal Trust Company	Principal Trust Target 2015 Fund	n/a		104,054
* Principal Trust Company	Principal Trust Target 2020 Fund	n/a		213,392
* Principal Trust Company	Principal Trust Target 2025 Fund	n/a		844,898
* Principal Trust Company	Principal Trust Target 2030 Fund	n/a		368,153
* Principal Trust Company	Principal Trust Target 2035 Fund	n/a		487,263
* Principal Trust Company	Principal Trust Target 2040 Fund	n/a		213,302
* Principal Trust Company	Principal Trust Target 2045 Fund	n/a		195,402
* Principal Trust Company	Principal Trust Target 2050 Fund	n/a		134,691
* Principal Trust Company	Principal Trust Target 2055 Fund	n/a		25,975
* Principal Trust Company	Principal Trust Target 2060 Fund	n/a		25,687
* Union Bond & Trust Company	Principal Stable Value Fund	n/a		162,605
Total common collective trust accounts			\$	2,779,571
Total participant-directed investments, at fair value			\$	3,471,681
* Participants	Contribution receivable from participants	n/a		13,898
* Participants	Participant loans - bearing interest at 4.25 percent and maturing at various dates through 2017	n/a		85,425
Total assets held			\$	3,571,004

* - an asterisk (*) in this column identifies a person or entity known to be a party in interest to the Plan.

n/a - not applicable; this Plan is an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account. Cost information is not required for participant or beneficiary directed accounts.

The above information has been certified by Principal Life Insurance Company, the custodian of the Plan, as complete and accurate.

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

PRECISION AEROSPACE CORPORATION 401(K) RETIRE

EIN 38 1817912
 PLAN NUMBER 001
 PLAN YEAR 01/01/2014 TO 12/31/2014

(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
	The American Funds	Registered Investment Company Am Fds EuroPacific Grth R3 Fd	\$ 0.00	\$ 69,329.52
	American Century Investments	Registered Investment Company American Cent MdCp Val A Fd	\$ 0.00	\$ 27,071.64
	Columbia Funds	Registered Investment Company Columbia Mid Cap Growth A Fund	\$ 0.00	\$ 5,601.66
	Fidelity Investments	Registered Investment Company Fidelity Adv Div Grth T Fund	\$ 0.00	\$ 50,699.32
	Heartland Funds	Registered Investment Company Heartland Value Plus Fund	\$ 0.00	\$ 40,577.81
	Lord Abbett	Registered Investment Company Lord Abbett Dev Growth R3 Fund	\$ 0.00	\$ 51,805.21
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Bond and Mortgage SA-R4	\$ 0.00	\$ 4,252.49
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R4	\$ 0.00	\$ 21,894.87
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Equity Income SA-R4	\$ 0.00	\$ 18,882.14
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl Equity Index SA-R4	\$ 0.00	\$ 18,719.31
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl SmallCap Sep Acct-R4	\$ 0.00	\$ 29,414.13
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth I SA-R4	\$ 0.00	\$ 91,110.83
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R4	\$ 0.00	\$ 76,196.18
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-R4	\$ 0.00	\$ 96,702.85
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Sep Acct-R4	\$ 0.00	\$ 7,138.82

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

PRECISION AEROSPACE CORPORATION 401(K) RETIRE

EIN 38 1817912
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

(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
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Pref Secs Sep Acct-R4	\$ 0.00	\$ 6,917.69
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Real Estate Secs SA-R4	\$ 0.00	\$ 35,500.90
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap S&P 600 Index SA-R4	\$ 0.00	\$ 40,295.10
*	Principal Trust Company	Common/Collective Trust Prin Trust Income Fund R4	\$ 0.00	\$ 25.25
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2010 Fd R4	\$ 0.00	\$ 4,124.11
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2015 Fd R4	\$ 0.00	\$ 104,054.19
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2020 Fd R4	\$ 0.00	\$ 213,391.94
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2025 Fd R4	\$ 0.00	\$ 844,897.64
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2030 Fd R4	\$ 0.00	\$ 368,153.38
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2035 Fd R4	\$ 0.00	\$ 487,263.30
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2040 Fd R4	\$ 0.00	\$ 213,301.87
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2045 Fd R4	\$ 0.00	\$ 195,401.89
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2050 Fd R4	\$ 0.00	\$ 134,690.62
*	Principal Trust Company	Common/Collective Trust Prin Trust Tgt 2055 Fd R4	\$ 0.00	\$ 25,975.08
*	Union Bond & Trust Company	Common/Collective Trust Principal Stable Value Fund	\$ 0.00	\$ 162,605.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

PRECISION AEROSPACE CORPORATION 401(K) RETIRE

EIN 38 1817912
PLAN NUMBER 001
PLAN YEAR 01/01/2014 TO 12/31/2014

(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
*	Principal Trust Company	Common/Collective Trust PRIN TRUST TGT 2060 FD R4	\$ 0.00	\$ 25,686.49
	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 4.25%	\$ 0.00	\$ 85,425.00

