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 11/01/2013 and ending 10/31/2014

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
DESCO INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 11/01/1994

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

DESCO INDUSTRIES, INC.

3651 WALNUT AVENUE
CHINO, CA 91710-2940

2b Employer Identification Number (EIN)
95-3368148

2c Sponsor's telephone number
909-627-8178

2d Business code (see instructions)
335900

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.	08/08/2015	SANDRA STAUP
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

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

DESCO INDUSTRIES, INC.

3651 WALNUT AVENUE
CHINO, CA 91710-2940

3b Administrator's EIN
95-3368148

3c Administrator's telephone number
909-627-8178

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**	223
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**	200
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	38
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	238
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	238
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	222
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:
2I 2O

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

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 11/01/2013 and ending 10/31/2014

A Name of plan
DESCO INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DESCO INDUSTRIES, INC.

D Employer Identification Number (EIN)
95-3368148

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	38113	61901
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1260000	
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	1283	1283
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2881	43077
(2) U.S. Government securities	1c(2)	230001	538184
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	215793	334976
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	2594130	3524303
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	135957	135179

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	8343720	8795052
(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	12821878	13433955
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	4047	3925
k Total liabilities (add all amounts in lines 1g through1j)	1k	4047	3925
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	12817831	13430030

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4	
(B) U.S. Government securities	2b(1)(B)	10536	
(C) Corporate debt instruments	2b(1)(C)	11878	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	4023	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		26441
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	36659	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		36659
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	5410457	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	5297546	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		112911
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	872958	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		872958

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1048969
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	436770	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		436770
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)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		436770
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		612199
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) [X] 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 [X] No

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

(1) Name: KHO & PATEL, CPAS **(2)** EIN: 33-0381007

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 11/01/2013 and ending 10/31/2014

A Name of plan
DESCO INDUSTRIES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DESCO INDUSTRIES, INC.

D Employer Identification Number (EIN)
95-3368148

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): 91-1788791

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):

Desco Industries, Inc.
Employee Stock Ownership Plan

Audited Financial Statements
October 31, 2014 and 2013
Supplementary Information
October 31, 2014

Desco Industries, Inc.
Employee Stock Ownership Plan

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Administrator of the
Desco Industries, Inc. Employee Stock Ownership Plan

Report on the Financial Statements

We have audited the accompanying financial statement of Desco Industries, Inc. Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of October 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Desco Industries, Inc. Employee Stock Ownership Plan as of October 31, 2014 and 2013, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year and schedule of reportable transactions – single transactions by issue, hereafter referred to as "supplemental information" are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulation for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respect in relation to the financial statements taken as a whole.

KHO & PATEL

Kho & Patel

San Dimas, California
July 24, 2015

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
October 31, 2014 and 2013

ASSETS

	(All Allocated) 2014	2013
Investments, at fair value		
Cash equivalents	$ 43,077	$ 2,881
Government and agency obligations	538,184	230,001
Corporate obligations	334,976	215,793
Common stocks	3,524,303	2,594,130
Other bonds	135,179	135,957
Desco Industries, Inc. common stock	8,795,052	8,343,720
Total investments	13,370,771	11,522,482
Receivables		
Employer contribution receivable	-	1,260,000
Other receivable	1,283	1,283
Total receivables	1,283	1,261,283
Cash	61,901	38,113
Total assets	13,433,955	12,821,878

LIABILITIES

Withheld state taxes payable	3,925	4,047
Total liabilities	3,925	4,047
Net assets available for benefits	$ 13,430,030	$ 12,817,831

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED October 31, 2014

Investment income		
Net appreciation in fair value of investments	$	985,869
Interest		26,366
Dividends		36,659
Other		75
Total investment earnings		1,048,969
Contributions:		
Employer		-
Total additions to net assets		1,048,969
Benefits paid to participants		436,770
Net increase		612,199
Net assets available for benefits		
Beginning of year		12,817,831
End of year	$	13,430,030

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
October 31, 2014 and 2013

Note A – Description of the Plan

The following brief description of the Desco Industries, Inc. (the Company) Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Company established the Plan effective November 1, 1994. The Plan is designed to comply with Sections 401(a) and 4975(e)(7) and the regulations there under of the Internal Revenue Code of 1986, as amended (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by person(s) appointed by the Company's Board of Directors. Wayne D. Hunter and John J. Brake, Jr. are the Plan's co-trustees pursuant to a successor trust agreement.

Contributions

Each year, the Company determines the amount to be contributed to the Plan. Contributions are discretionary and can be made out of current or accumulated net income of the Company, subject to certain limitations of Section 404 of the Internal Revenue Service Code of 1986, as amended. It is the intention of the Board of Directors that the Company's annual contribution be sufficient to fund the payment of distributions due to the terminated Plan participants. Participant contributions are not permitted under the Plan. Contributions to the Plan for the year ended October 31, 2014 were $0.

Eligibility and Participation

All employees of the Company, other than those covered by a collective bargaining agreement, are generally eligible to participate in the Plan, upon attaining age 20 ½ and completing at least 6 months of service.

Participants Accounts

Each participant's account is credited with an allocation of (a) the Company's contributions, (b) Plan earnings (including Company common stock appreciation), and (c) forfeitures of terminated participants' non-vested accounts. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. All investments are non-participant directed.

Note A - Description of the Plan (continued)

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant shall receive the value of the vested interest in his or her account as a single lump-sum distribution or in substantially equal annual installments over a period generally not to exceed five years. The distribution will commence no later than the allocation date (October 31) of the Plan year following the Plan year in which the participant's death, disability or retirement occurs. If the participant terminates employment with the Company for any other reason, the distribution will commence no later than the allocation date of the sixth Plan year following the Plan year in which the termination of employment occurs.

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution.

Vesting

Vesting in the Company's discretionary profit sharing contributions plus earnings thereon is based on years of service according to the following schedule:

Years of Service	Vesting %
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Participants also become 100% vested if they obtain the age of 65 while in the employ of the Company, are disabled or die.

Note A – Description of the Plan (concluded)

Forfeitures

The unvested portion of a terminated participant's account will be forfeited and reallocated among participants eligible to share in the reallocation during the plan year. The reallocation of forfeitures occurs upon the earlier of the distribution of a participant's vested benefits or a two year break in service. Total forfeitures of $22,975 were reallocated during the year ended October 31, 2014. Vested but undistributed account balances of terminated participants totaled $78,149 and $164,366 as of October 31, 2014 and 2013 respectively.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

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

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 and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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 E for discussion of fair value measurements.

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

Payment of Benefits

Benefits are generally recorded when paid. At October 31, 2014, the Plan had accrued for the withholding of income taxes on certain distributions that occurred during the year.

Note B – Summary of Significant Accounting Policies (concluded)

Plan Fees and Administrative Expenses

Plan fees and administrative expenses are paid by the Company.

Subsequent Events

The Plan has evaluated subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued.

Note C – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 29, 2002, that the Plan and related Trust are designed in accordance with the applicable requirements of the Internal Revenue Code (IRC). The Plan was amended and restated effective November 1, 2008 to include the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 and Pension Protection Act of 2006. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS) or the California State Franchise Tax Board.

The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of October 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities. During 2011, the Plan was audited by the IRS and there were no findings or changes as a result of the audit.

Note D – Investment in Common Stock

The Plan's investment in Company common stock at October 31 is as follows:

	2014	2013
Number of shares	25,200	25,200
Cost	$4,725,000	$4,725,000
Fair Market Value	$8,795,052	$8,343,720

All 25,200 shares of common stock are considered allocated at a total fair market value of $8,795,052.

During the Plan year ended October 31, 2014, the Plan's investments in Company common stock appreciated in value by $451,332.

Note E – Fair Value Measurements

The Financial Accounting Standards Board (FASB) ASC 820 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 lowest priority to unobservable inputs (level 3 measurements). 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 the active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

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

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

Note E – Fair Value Measurements (continued)

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

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at October 31, 2014 and 2013.

Investment in company common stock: The Plan's investment in company common stock is valued at fair value based upon an independent appraisal. The appraisal was based upon a combination of valuation techniques consistent with the prior year. The appraiser took into account historical and projected revenue, cash flow, net income and earnings before income taxes, depreciation and amortization (EBITDA).

Mutual funds: These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Common stocks, corporate obligations, other bonds and government and agency obligations: These investments are public investment vehicles valued daily at the closing price reported on an active market using observable inputs. The closing price of these securities provided by the custodian is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Although the methods above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values, the Plan believes its valuation methods are appropriate and consistent with other market participants and the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note E – Fair Value Measurements (continued)

The following fair value hierarchy table presents information about the Plan's Investments measured at fair value on a recurring basis as of October 31, 2014 and 2013:

Description	Total	Level 1	Level 2	Level 3
October 31, 2014				
Cash equivalents	$ 43,077	$ 43,077	$ -	$ -
U.S. government securities	538,184	538,184	-	-
Corporate obligations	334,976	334,976	-	-
Common stocks	12,319,355	3,524,303	-	8,795,052
Other bonds	135,179	135,179	-	-
Total	$ 13,370,771	$ 4,575,719	$ -	$ 8,795,052

Description	Total	Level 1	Level 2	Level 3
October 31, 2013				
Cash equivalents	$ 2,881	$ 2,881	$ -	$ -
U.S. government securities	230,001	230,001	-	-
Corporate obligations	215,793	215,793	-	-
Common stocks	10,937,850	2,594,130	-	8,343,720
Other bonds	135,957	135,957	-	-
Total	$11,522,482	$ 3,178,762	$ -	$ 8,343,720

There were no transfers between Levels 1, 2 and 3 during the year ended October 31, 2014.

Note E – Fair Value Measurements (concluded)

The following table sets forth a summary of changes in the fair value of the Plan's level 3 asset for the year ended October 31, 2014.

DESCO INDUSTRIES, INC. COMMON STOCK

Balance, beginning of year	$ 8,343,720
Unrealized appreciation	451,332
Balance, end of year	$ 8,795,052

Note F – Investments

The following table presents individual investments that represent 5% or more of the Plan's net assets as of October 31, 2014 and 2013:

Description of Investment	2014
Desco Industries, Inc. common stock	$ 8,795,052
	2013
Desco Industries, Inc. common stock	$ 8,343,720

During the year ended October 31, 2014, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by $985,869 as follows:

Description of Asset	
Desco Industries, Inc. common stock	$ 451,332
Government and agency obligations	(7,532)
Corporate obligations	(5,370)
Common stocks	548,142
Other bonds	(703)
	$ 985,869

Note G – Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate or amend the Plan at any time, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Note H – Party-In-Interest Transactions

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan. The Plan invests in the common stock of the Plan Sponsor. The Company paid certain administrative expenses of the Plan, including recordkeeping and audit fees. Certain Plan investments are managed by City National Bank, a custodian of Plan assets. These transactions qualify as party in interest transactions for which a statutory exemption exists.

Note I – Risks and Uncertainties

The Plan invests in equity securities including the common stock of the Plan Sponsor. Equity securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investments in equity securities, it is at least reasonably possible that changes in the value of the equity securities will occur in the near term and that such changes could materially affect participants' balances and the amounts reported in the statements of net assets available for benefit.

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a) Identity of issue, borrower, lessor, or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
Cash Equivalents			
Goldman Sachs Financial Square Treasury Fund #506	43,077.44 shares	$ 43,077	$ 43,077
Total cash equivalents		$ 43,077	$ 43,077
Government & Agency Obligations			
FFCB V/R	30,000, 0.2047%, 04/17/17	$ 30,000	$ 30,008
FHLB	45,000, 0.375%, 02/19/16	44,968	45,051
FHLB	30,000, 1.625%, 06/14/19	29,959	29,852
FHLMC	45,000, 1.000%, 09/29/17	44,919	44,944
FHLMC	30,000, 1.375%, 05/01/20	28,958	29,188
FHLMC	20,000, 4.500%, 01/15/15	21,606	20,175
FHLMC	35,000, 4.875%, 06/13/18	42,023	39,386
FNMA	35,000, 0.000%, 10/09/19	30,813	31,374
FNMA	20,000, 2.375%, 07/28/15	20,970	20,327
FNMA	45,000, 4.875%, 12/15/16	51,300	49,018
FNMA	45,000, 5.000%, 02/13/17	50,675	49,320
FNMA	45,000, 5.000%, 03/15/16	50,349	47,871

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	FNMA V/R	20,000, 0.1747%, 08/12/16	$ 19,994	$ 20,012
	U S Treasury Bonds	25,000, 1.375%, 09/30/18	24,920	25,035
	U S Treasury Bonds	45,000, 2.000%, 04/30/16	46,570	46,107
	U S Treasury Bonds	10,000, 3.125%, 10/31/16	10,670	10,516
	Total government & agency obligations		$ 548,694	$ 538,184
Corporate Obligations				
	Caterpillar FINL	25,000, 1.625%, 06/01/17	$ 25,330	$ 25,283
	Citigroup Inc V/R	30,000, 1.9321%, 05/15/18	31,176	31,189
	General Elec Cap Cor	25,000, 5.625%, 09/15/17	28,418	27,949
	Glaxosmithkline Cap	25,000, 5.650%, 05/15/18	29,121	28,322
	Goldman Sachs Group	30,000, 2.625%, 01/31/19	29,994	30,223
	JPMorgan Chase & Co	25,000, 6.000%, 01/15/18	29,533	28,179
	Merrill Lynch & Co	25,000, 6.400%, 08/28/17	29,314	28,164
	Morgan Stanley	20,000, 5.950%, 12/28/17	22,894	22,477
	Occidental Pete Corp	25,000, 1.750%, 02/15/17	25,329	25,315
	Simon Property Group	30,000, 2.200%, 02/01/19	30,397	30,288

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	Wells Fargo & Company	30,000, 2.125%, 04/22/19	$ 29,807	$ 30,002
	Wyeth LLC	25,000, 5.450%, 04/01/17	28,390	27,585
	Total corporate obligations		$ 339,703	$ 334,976
	Common Stocks			
	Adobe Systems Com	690 shares	$ 44,394	$ 48,383
	AFFIL MGRS Group Inc Com	260 shares	45,452	51,945
	American Express Co Com	920 shares	69,239	82,754
	American International Group Inc Com	1,360 shares	71,815	72,855
	American Water Works Co Inc New Com	900 shares	35,046	48,033
	Apple Inc Com	1,800 shares	117,928	194,400
	Applied Materials Inc Com	2,400 shares	50,940	53,016
	Biogen IDEC Inc Com	180 shares	46,507	57,794
	Boeing Company Com	350 shares	42,995	43,718
	Cabot Oil & Gas Corp Com	1,130 shares	41,894	35,143
	Celgene Corp Com	1,040 shares	56,731	111,374
	Citigroup Inc Com	1,103 shares	52,161	59,044

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	Comcast Corp New CL A	1,020 shares	$ 38,690	$ 56,457
	Continental Resources Inc Com	1,060 shares	48,695	59,752
	Costco Wholesale Corp New Com	340 shares	33,702	45,346
	Cummins Engine Inc Com	330 shares	40,836	48,239
	CVS Health Corp Com	1,200 shares	69,256	102,972
	Delta Air Lines Com	1,420 shares	47,564	57,127
	Eastman Chem Co Com	220 shares	19,341	17,772
	Edwards Lifesciences Corp Com	560 shares	41,020	67,715
	Exxon Mobil Corp Com	530 shares	47,725	51,256
	Facebook Inc Com	920 shares	31,312	68,991
	Gilead Sciences Inc Com	1,140 shares	53,334	127,680
	Google Inc CL A	115 shares	51,783	65,305
	Google Inc CL C Com	90 shares	40,396	50,317
	Halliburton Company Com	1,660 shares	97,105	91,532
	HCA Holdings Inc Com	670 shares	46,897	46,933
	Hexcel Corp Com	1,250 shares	51,120	52,363

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	Home Depot Inc Com	790 shares	$ 52,615	$ 77,041
	Intuitive Surgical Inc Com	100 shares	40,556	49,580
	JPMorgan Chase & Co Com New	1,530 shares	82,388	92,534
	Lions Gate Entertainment Corp Com	1,540 shares	42,074	51,020
	Lowes Cos Inc Com	950 shares	44,800	54,340
	Lyondellbasell Industries CL A Com	200 shares	19,893	18,326
	Magna International Inc	500 shares	34,598	49,355
	Mastercard Inc CL A Com	660 shares	41,116	55,275
	NXP Semiconductors N V Com	710 shares	45,466	48,749
	Occidental Petroleum Corp Com	480 shares	41,410	42,686
	Polaris Inds Inc Com	450 shares	48,558	67,887
	Priceline Group Inc	25 shares	27,722	30,155
	Prudential Financial Inc Com	890 shares	58,500	78,801
	Pulte Group Inc	2,780 shares	49,857	53,348
	Qualcomm Inc Com	680 shares	43,529	53,387
	Quanta Services Inc SBI	1,300 shares	36,491	44,304

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
	Schlumberger LTD N A ADR	730 shares	$ 60,337	$ 72,022
	Schwab Charles Corp Com	1,150 shares	31,287	32,971
	Starbucks Corp Com	580 shares	33,221	43,825
	State Street Corp Com	850 shares	54,383	64,141
	Textron Inc Com	1,230 shares	43,030	51,082
	Thermo Fisher Corp Com	550 shares	42,650	64,664
	Tyson Foods Inc CL A Com	1,720 shares	71,556	69,402
	Union Pacific Corp Com	680 shares	53,180	79,186
	Verizon Communications Com	1,130 shares	49,693	56,783
	Wabtec Corp Com	760 shares	39,030	65,588
	Walt Disney Company Com	830 shares	69,035	75,845
	Wells Fargo & Co New Com	1,400 shares	56,131	74,326
	Whitewave Foods CO CL A W/I Com	1,060 shares	20,686	39,464
	Total common stocks		$ 2,767,670	$ 3,524,303
	Other Bonds			
	BNP Paribas Corp	30,000, 2.700%, 08/20/18	$ 30,643	$ 30,643

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 1 - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
OCTOBER 31, 2014

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	Florida ST Hurricane	20,000, 2.107%, 07/01/18	$ 20,109	$ 20,208
	NATL Australia Bank	30,000, 2.750%, 03/09/17	31,525	31,069
	Province of Ontario	30,000, 2.000%, 09/27/18	30,387	30,437
	So Cal PPA Rev	20,000,6.930%, 05/15/17	24,602	22,822
	Total other bonds		$ 137,266	$ 135,179
	Party-In-Interest Common Stock			
*	Desco Industries, Inc.	25,200 shares	$ 4,725,000	$ 8,795,052
	Total party-in-interest common stock		$ 4,725,000	$ 8,795,052
	Total investments		$ 8,561,410	$ 13,370,771

* A party-in-interest as defined by ERISA

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

DESCO INDUSTRIES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN EIN 95-3368148
SCHEDULE 2 - SCHEDULE OF REPORTABLE TRANSACTIONS - SINGLE TRANSACTIONS BY ISSUE
FOR THE YEAR ENDED OCTOBER 31, 2014

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of Asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
CNB Insured Money Market	Short Term Investment	$ 1,260,000	$ 0	N/A	N/A	$ 1,260,000	$ 1,260,000	N/A
CNB Insured Money Market	Short Term Investment	0	1,260,000	N/A	N/A	1,260,000	1,260,000	N/A
Goldman Sachs Financial Srvs	Treasury Fund	1,261,880	0	N/A	N/A	1,261,880	1,261,880	N/A
Goldman Sachs Financial Srvs	Treasury Fund	0	539,007	N/A	N/A	539,007	539,007	N/A
Goldman Sachs Financial Srvs	Treasury Fund	0	334,217	N/A	N/A	334,217	334,217	N/A
Goldman Sachs Financial Srvs	Treasury Fund	0	213,598	N/A	N/A	213,598	213,598	N/A
Goldman Sachs Financial Srvs	Treasury Fund	0	205,000	N/A	N/A	205,000	205,000	N/A
		$ 2,521,880	$ 2,551,822			$ 5,073,702	$ 5,073,702	$ 0

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

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Desco Industries, Inc. Employee Stock Ownership Plan **EIN:** 95-3368148
Plan Sponsor's Name Desco Industries, Inc. **PN:** 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	Desco Industries, Inc.	25,200 shares of common stock	4,725,000	8,795,052
	Goldman Sachs Finl Sqr Treas #506	43,077.44 shares	43,077	43,077
	Government & Agency Obligations	Government and agency obligations of varying maturities and interest rates	548,694	538,184
	Corporate Obligations	Corporate obligations of varying maturities and interest rates	339,703	334,976
	Common Stocks	Common stocks of various companies	2,767,670	3,524,303
	Other Bonds	Bonds of varying maturities and interest rates	137,266	135,179