

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
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES, SENECA FALLS, NEW YORK</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>12/04/1950</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>GOULDS PUMPS, INC.</u> <u>240 FALL STREET</u> <u>SENECA FALLS, NY 13148-1590</u>	2b Employer Identification Number (EIN) <u>15-0321120</u> 2c Sponsor's telephone number <u>315-568-7280</u> 2d Business code (see instructions) <u>333200</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2012</u>	<u>CONRAD ARNOLD</u>
	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

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") GOULDS PUMPS, INC. 240 FALL STREET SENECA FALLS, NY 13148-1590	3b Administrator's EIN 15-0321120 3c Administrator's telephone number 315-568-7280
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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
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5 Total number of participants at the beginning of the plan year	5	1417
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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	400
b Retired or separated participants receiving benefits.....	6b	540
c Other retired or separated participants entitled to future benefits.....	6c	372
d Subtotal. Add lines 6a , 6b , and 6c	6d	1312
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	116
f Total. Add lines 6d and 6e	6f	1428
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	14

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic 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
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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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES, SENECA FALLS, NEW YORK</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>GOULDS PUMPS, INC.</u>	D Employer Identification Number (EIN) <u>15-0321120</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>
2	Assets:
a	Market value 2a <u>66601425</u>
b	Actuarial value 2b <u>61253089</u>
3	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>641</u> <u>42821341</u>
b	For terminated vested participants 3b <u>172</u> <u>4163340</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>496105</u>
(2)	Vested benefits 3c(2) <u>29066416</u>
(3)	Total active 3c(3) <u>604</u> <u>29562521</u>
d	Total 3d <u>1417</u> <u>76547202</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.28 %</u>
6	Target normal cost 6 <u>1609584</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>07/13/2012</u>
Signature of actuary	Date
<u>BARBARA H. VAUGHAN</u>	<u>11-04686</u>
Type or print name of actuary	Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>	<u>201-902-2300</u>
Firm name	Telephone number (including area code)
<u>500 PLAZA DRIVE</u> <u>SECAUCUS, NJ 07096-1533</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	1212188
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1212188
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>14.01</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		6252921
b	Interest on (a) using prior year's effective rate of <u>6.68</u> % except as otherwise provided (see instructions)		506549
c	Total available at beginning of current plan year to add to prefunding balance.....		6759470
d	Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	80.02 %
15	Adjusted funding target attainment percentage.....	15	80.75 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.82 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/03/2011	562000				
04/15/2011	894000				
07/15/2011	894000				
10/14/2011	894000				
01/13/2012	894000				
03/20/2012	11624696				
Totals ▶			18(b)	15762696	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 561812
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 14230386
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	1609584	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	15294113	2899376	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	4508960	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	4508960	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	14230386	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	9721426	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES, SENECA FALLS, NEW YORK</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>GOULDS PUMPS, INC.</u>	D Employer Identification Number (EIN) <u>15-0321120</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: INVESTMENT MASTER TRUST OF ITT CORP

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

c EIN-PN <u>36-6668234-300</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: INVESTMENT MASTER TRUST OF ITT CORP

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

c EIN-PN <u>38-7003271-302</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>63502656</u>
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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)
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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)
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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)
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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)
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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)
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For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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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.	OMB No. 1210-0110 <div style="font-size: 24pt; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES, SENECA FALLS, NEW YORK</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GOULDS PUMPS, INC.</u>		D Employer Identification Number (EIN) <u>15-0321120</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	8637000	12518696
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	0	146724
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)		
	(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)	58222550	63502656
	(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)		

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	66859550	76168076

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	58123	38125
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	58123	38125

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	66801427	76129951
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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)	15762696	
(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)		15762696
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(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)		-2251786
(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		13510910

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4182386	
(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)		4182386
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		4182386

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		9328524
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: DELOITTE & TOUCHE LLP

(2) EIN: 13-3891517

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 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.).....		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.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
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.			
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)

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES, SENECA FALLS, NEW YORK</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GOULDS PUMPS, INC.</u>	D Employer Identification Number (EIN) <u>15-0321120</u>

Part I	Distributions
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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	<u>0</u>
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): <u>36-1561860</u>		
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	<u>0</u>

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
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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
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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.
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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 items 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 items 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 items 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 items 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 items 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 items 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 item 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 items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 81% Investment-Grade Debt: 0% High-Yield Debt: 18% Real Estate: 1% 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 item 19(b)?

☐ Effective duration ☒ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

ITT Pension Plan for
Bargaining Unit Employees
Seneca Falls, New York

Sponsor EIN 15-0321120
Plan # 001

Financial Statements as of and for the
Years Ended December 31, 2011 and 2010, and
Independent Auditors' Report

ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES SENECA FALLS, NEW YORK

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NOTE: All supplemental schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

INDEPENDENT AUDITORS' REPORT

To the Trustees of and Participants in
The ITT Pension Plan for Bargaining Unit Employees
Seneca Falls, New York:

We have audited the accompanying statements of net assets available for benefits of the ITT Pension Plan for Bargaining Unit Employees Seneca Falls, New York (the "Plan") as of December 31, 2011 and 2010, and for the years then ended as listed in the table of contents. These financial statements are the responsibility of the Plan's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2011, and the changes therein for the year then ended and its financial status as of December 31, 2010, and the changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

August 21, 2012

ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES SENECA FALLS, NEW YORK

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS:		
Investments at fair value:		
Plan's interest in the ITT Master Trust	\$ 63,502,656	\$ -
Plan's interest in the Former Master Trust		58,222,550
Employer contribution receivable	12,518,696	8,637,000
Receivable from the Former Master Trust	<u>146,724</u>	<u></u>
Total assets	76,168,076	66,859,550
LIABILITIES —		
Accrued administrative expenses	<u>38,125</u>	<u>58,123</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 76,129,951</u>	<u>\$ 66,801,427</u>

See notes to financial statements.

ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES SENECA FALLS, NEW YORK

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
ADDITIONS:		
Plan's interest in the ITT Master Trust investment loss	\$ (913,504)	\$ -
Plan's interest in the Former Master Trust investment income (loss)	(1,116,310)	7,346,048
Employer contributions	<u>15,762,696</u>	<u>9,423,971</u>
Total additions	<u>13,732,882</u>	<u>16,770,019</u>
DEDUCTIONS:		
Benefits paid to participants	4,182,386	3,559,844
Administrative expenses	<u>221,972</u>	<u>371,336</u>
Total deductions	<u>4,404,358</u>	<u>3,931,180</u>
NET INCREASE	9,328,524	12,838,839
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	<u>66,801,427</u>	<u>53,962,588</u>
End of year	<u>\$ 76,129,951</u>	<u>\$ 66,801,427</u>

See notes to financial statements.

ITT PENSION PLAN FOR BARGAINING UNIT EMPLOYEES SENECA FALLS, NEW YORK

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. DESCRIPTION OF THE PLAN

The following description of the ITT Pension Plan for the Bargaining Unit Employees Seneca Falls, New York (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a defined benefit pension plan covering employees employed in the ITT Industrial Process Group (Seneca Falls) or the ITT Commercial Water Group (Auburn) sponsored by Goulds Pumps, Inc., (the “Company” or “Plan Sponsor”), a subsidiary of ITT Corporation (“ITT”). The Benefits Administration Committee, as appointed by the board of directors of ITT, controls and manages the operation and administration of the Plan. Northern Trust (the “Trustee”) serves as the trustee of the Plan and, together with several investment managers, manages the Plan’s investments. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On October 31, 2011 (the “spin-off date”), ITT Corporation completed a tax-free pro rata distribution of Exelis Inc. and Xylem Inc. In connection with the spin-off, the companies executed a benefits and compensation matters agreement pursuant to which:

- The Company will continue to sponsor the Plan.
- The Investment Master Trust of ITT Corporation (the “Former Master Trust”) was renamed and transferred to Exelis Inc. on the spin-off date and Exelis Inc. assumed all liabilities associated with the Former Master Trust.
- Effective the spin-off date, ITT Corporation created the Investment Master Trust of ITT Corporation (the “ITT Master Trust”), a new master trust.
- Shortly after the spin-off date, the Plan’s interest in the Former Master Trust was liquidated and cash was transferred from the Former Master Trust to the ITT Master Trust.
- At December 31, 2011, there was a receivable due from the Former Master Trust to pay any outstanding bills for the period prior to the spin-off date.

The Plan’s assets include an undivided interest in an investment account of the ITT Master Trust, EIN 38-7003271, at December 31, 2011, and for the period from October 31, 2011 through December 31, 2011, and the Former Master Trust as of and for the year ended December 31, 2010, and for the period from January 1, 2011 through October 31, 2011 (collectively, the “Master Trusts”). The Master Trusts include the combined assets of the Plan as well as several other employee benefit plans sponsored by ITT and its subsidiaries (collectively, the “Participating Plans”). Use of a master trust permits the commingling of Plan assets with the assets of other Participating Plans for investment and administrative purposes. Although Plan assets are commingled in the Master Trusts, the Trustee maintains supporting records for the purpose of allocating the net income (loss) of the Master Trusts to

the Participating Plans. The net investment income (loss) of the investment account is allocated by the Trustee to each Participating Plan based on the relationship of the interest of each Participating Plan to the total of the interests of the Participating Plans.

Eligibility — Hourly paid employees of a participating unit who are represented by the Union, employed in Seneca Falls or Auburn, New York are eligible to participate upon the completion of one hour of service as an employee.

Pension Benefits — Employees are eligible for monthly benefit payments upon reaching age 62 and having 5 years of service. The normal monthly benefit payments are determined by multiplying the benefit rate, which depends upon the period of credited service by the total number of years of credited service. A participant is 100% vested after five years of service. Prior to that time, the participant is not vested.

Participants are eligible to receive early retirement benefits between the ages of 55 and 62 upon the completion of 5 years of continuous service. Early retirement benefits are computed in a manner similar to normal retirement at age 62, except that they are reduced by certain factors, as outlined in the Plan document, for each month that the early retirement date precedes the normal retirement date.

Death and Disability Benefits — A married employee who is a vested participant is automatically covered by the preretirement death benefit option, which will provide a benefit for the surviving spouse upon death prior to retirement, unless coverage is waived. The benefit would be equal to the benefit the spouse would have received had the employee retired on the date of death, computed under the normal form of payment, and subject to certain limitations.

An employee who has completed five years of continuous service and who becomes totally and permanently disabled is eligible to receive a disability retirement benefit. The amount of the benefit is computed, as it would be for normal retirement, based on the employee's years of credited service as of the date of disability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates — The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties — Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities held by the Plan, it is reasonably possible that values realized at the time of sale could materially differ from amounts reported in the financial statements.

Investment Valuation and Income Recognition — The Plan's interest in the Master Trusts is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trusts. 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 measure date. See Note 5 for description of valuation methods. Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Management fees and operating expenses charged to the Plan for the investments in the registered investment companies, common collective trust (CCT) funds, and commingled funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Payment of Benefits — Benefit payments to participants are recorded upon distribution.

Administrative Expenses — Administrative expenses of the Plan are paid by the Master Trusts on behalf of the Plan, as provided in the Plan document and the Master Trusts' agreements. The Plan Sponsor provides accounting and other administrative services to the Plan and Master Trusts at no charge.

Recent Accounting Pronouncement — In May 2011, the Financial Accounting Standards Board issued guidance intended to achieve common fair value measurements and related disclosures between U.S. GAAP and international accounting standards. The amendments primarily clarify existing fair value guidance, and therefore, the amendments are not intended to change the application of existing fair value measurement guidance. However, the amendments include certain instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This guidance is effective for the periods beginning after December 15, 2011, and early application is prohibited. The requirements are not expected to have a material effect on the Plan's fair value measurement.

3. FUNDING POLICY

Contributions to provide benefits under the Plan are made solely by the Company. Funding requirements under Internal Revenue Service (IRS) rules are a major consideration in making contributions to our postretirement plans. With respect to qualified pension plans, we intend to contribute annually not less than the minimum required by applicable law and regulations. While the Company has significant discretion in making voluntary contributions, the ERISA, as amended by the Pension Protection Act of 2006 and further amended by the Worker, Retiree, and Employer Recovery Act of 2008 and applicable Internal Revenue Code (IRC) regulations mandate minimum funding thresholds. Failure to satisfy the minimum funding thresholds could result in restrictions on our ability to amend the plan or make benefit payments. Although mandatory contributions to our U.S. postretirement plans were not required during 2011, we will continue to monitor the funded status and minimum funding requirements.

4. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to: (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The following amounts were calculated as of the latest actuarial valuation date, which was January 1, 2011. This represents a disclosure measure based solely on the funding valuation.

The actuarial present value of accumulated plan benefits as of January 1, 2011, is as follows:

Vested benefits:	
Participant and/or beneficiaries currently receiving benefits	\$ 33,741,600
Other participants	<u>22,329,314</u>
Total vested benefits	56,070,914
Nonvested benefits	<u>1,073,258</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 57,144,172</u>

The changes in the actuarial present value of the Plan's accumulated plan benefits for the year ended January 1, 2011, are:

Actuarial present value of accumulated plan benefits — January 1, 2010	\$ 53,281,228
Increase (decrease) during the year attributable to:	
Benefits accumulated	2,295,891
Benefits paid	(3,559,844)
Interest	4,638,568
Changes in actuarial assumptions	<u>488,329</u>
Actuarial present value of accumulated plan benefits — January 1, 2011	<u>\$ 57,144,172</u>

The actuarial cost method used to measure the present value of accumulated plan benefits is the unit cost method. The significant actuarial assumptions used in the January 1, 2011, valuations were:

- Mortality: UP-94 Table (scale AA projected 16 years) with special mortality table used for the period after disability in 2011 and 2010.
- Retirement age: Age 62.
- Investment return: 9.0%
- Discount rate: 9.0%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. FAIR VALUE MEASUREMENTS

In measuring Master Trusts' assets at fair value, a fair value hierarchy is applied that categorizes and prioritizes the inputs used to estimate fair value into three levels. The fair value hierarchy is based on maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. Classification within the fair value hierarchy is based on the lowest-level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are defined as follows:

- Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices (in nonactive markets or in active markets for similar assets or liabilities), inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 — inputs are unobservable inputs for the assets or liabilities.

In certain instances, fair value is estimated using quoted market prices obtained from an external pricing service. In obtaining such data from the pricing service, the Plan has evaluated the methodologies used to develop the estimate of fair value in order to assess whether such valuations are representative of fair value, including net asset value (NAV). Additionally, in certain circumstances, the Plan may adjust NAV reported by an asset manager when sufficient evidence indicates NAV is not representative of fair value.

The following is a description of the valuation methodologies used to measure the Master Trusts' assets at fair value.

- Equity Securities — Equities (including common and preferred shares, domestic listed and foreign listed, closed end mutual funds, and exchange traded funds) are generally valued at the closing price reported on the major market on which the individual securities are traded at the measurement date. These funds are generally classified within Level 1 and Level 2 of the fair value hierarchy.
- CCT and Commingled Funds — Open ended mutual funds, collective trusts, and commingled funds are arrangements in which the funds of individual trusts are pooled to avail themselves of professional investment management and achieve greater diversification of investment, stability of income, or other investment objectives. CCT funds invest in debt and equity securities, the mix of which varies by fund, and report NAV as of the measurement date. These funds are generally classified within Level 2 of the fair value hierarchy.
- Private Equity — The valuation of limited partnership interests in private equity funds may require significant management judgment. The NAV reported by the asset manager is adjusted when management determines that NAV is not representative of fair value. In making such an assessment, a variety of factors are reviewed by management, including, but not limited to, the timeliness of NAV as reported by the asset manager and changes in general economic and market conditions subsequent to the last NAV reported by the asset manager. These funds are generally classified within Level 3 of the fair value hierarchy.

- **Absolute Return (Hedge Funds)** — The valuation of limited partnership interests in hedge funds may require significant management judgment. The NAV reported by the asset manager is adjusted when management determines that NAV is not representative of fair value. In making such an assessment, a variety of factors are reviewed by management, including, but not limited to, the timeliness of NAV as reported by the asset manager and changes in general economic and market conditions subsequent to the last NAV reported by the asset manager. Depending on how quickly the Master Trusts can redeem these investments and the extent of any adjustments to NAV, hedge funds are classified within either Level 2 (redeemable within 90 days) or Level 3 (redeemable beyond 90 days) of the fair value hierarchy.
- **Fixed Income** — U.S. government securities are generally valued using quoted prices of securities with similar characteristics. Corporate bonds and notes are generally valued by using pricing models (e.g., discounted cash flows), quoted prices of securities with similar characteristics, or broker quotes. Fixed income securities are generally classified in Level 2 of the fair value hierarchy.
- **Commodities, Cash, and Other** — Commodities are valued based on the closing price in the market. When held in a private equity or hedge fund, depending on how quickly the Master Trusts can redeem these investments and the extent of any adjustments to NAV, commodities are classified within either Level 2 (redeemable within 90 days) or Level 3 (redeemable beyond 90 days) of the fair value hierarchy. Cash investments are money market commingled trust vehicles, which are valued by quoted market price or NAV and are classified as Level 1 or Level 2 accordingly.

The major categories of the ITT Master Trust's assets measured at fair value by classification within the fair value hierarchy at December 31, 2011, are as follows:

Fair Value Measurements at December 31, 2011				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
CCT funds:				
Domestic	\$ -	\$ 69,712,930	\$ -	\$ 69,712,930
Developed markets		33,456,167		33,456,167
Emerging markets		16,359,534		16,359,534
Fixed income — bond		62,808,753		62,808,753
Total CCT funds	-	182,337,384	-	182,337,384
Total	\$ -	\$ 182,337,384	\$ -	\$ 182,337,384

The major categories of the Former Master Trust's assets measured at fair value by classification within the fair value hierarchy at December 31, 2010, are as follows:

	Fair Value Measurements at December 31, 2010			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities:				
Domestic	\$ 815,347,000	\$ 162,109,000	\$ 102,463,000	\$ 1,079,919,000
Developed markets	248,229,000		118,140,000	366,369,000
Emerging markets	193,796,000	229,532,000	38,327,000	461,655,000
ITT stock	54,325,000			54,325,000
Total equities	<u>1,311,697,000</u>	<u>391,641,000</u>	<u>258,930,000</u>	<u>1,962,268,000</u>
Private equity:				
Buyout funds		162,559,000	854,393,000	1,016,952,000
Distressed funds			233,513,000	233,513,000
Venture/growth equity funds			47,497,000	47,497,000
Mezzanine			34,914,000	34,914,000
Total private equity	<u>-</u>	<u>162,559,000</u>	<u>1,170,317,000</u>	<u>1,332,876,000</u>
Absolute returns (hedge funds):				
Fund of funds		30,602,000	244,676,000	275,278,000
Fixed income/multi-strat		171,385,000	202,486,000	373,871,000
Equity long/short		84,265,000	50,336,000	134,601,000
Macro		12,404,000		12,404,000
Total absolute returns	<u>-</u>	<u>298,656,000</u>	<u>497,498,000</u>	<u>796,154,000</u>
Fixed income	<u>8,909,000</u>	<u>60,724,000</u>		<u>69,633,000</u>
Other:				
Commodities		210,860,000	35,114,000	245,974,000
Cash and other, net	<u>905,000</u>	<u>71,822,000</u>	<u>26,926,018</u>	<u>99,653,018</u>
Total other	<u>905,000</u>	<u>282,682,000</u>	<u>62,040,018</u>	<u>345,627,018</u>
Total	<u>\$ 1,321,511,000</u>	<u>\$ 1,196,262,000</u>	<u>\$ 1,988,785,018</u>	<u>\$ 4,506,558,018</u>

A reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the Master Trusts for the year ended December 31, 2011, is as follows:

	Equity Securities	Private Equity	Absolute Returns	Other	Total
Beginning balance — January 1, 2011	\$ 258,930,092	\$ 1,170,317,105	\$ 497,497,367	\$ 62,040,454	\$ 1,988,785,018
Realized gains and losses		5,526,791	29,801,818	191,962	35,520,571
Unrealized gains and losses	(15,127,379)	5,827,702	(30,766,146)	(836,999)	(40,902,822)
Purchases		169,183,219	65,573,759	9,305,393	244,062,371
Sales (a)	(236,074,765)	(1,218,378,478)	(562,106,798)	(66,751,499)	(2,083,311,540)
Settlements	(7,727,948)	(132,476,339)		(3,949,311)	(144,153,598)
Ending balance — December 31, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(a) As of October 31, 2011, the spin-off date, all Level 3 investments were sold and reinvested into funds classified as Levels 1 and 2.

A reconciliation of the Former Master Trust's beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the year ended December 31, 2010, is as follows:

	Equity Securities	Private Equity	Absolute Returns	Other	Total
Beginning balance — January 1, 2010	\$ 209,786,000	\$ 1,154,301,000	\$ 499,619,000	\$ 42,207,000	\$ 1,905,913,000
Realized gains and losses	44,640,000	45,823,000	33,000,000	1,911,000	125,374,000
Unrealized gains and losses		90,418,000	8,656,000	361,000	99,435,000
Purchases, sales, issuance, and settlements — net	4,504,092	11,001,105	(43,777,633)	17,561,454	(10,710,982)
Transfers in/or out of Level 3 (a)		(131,226,000)			(131,226,000)
Ending balance — December 31, 2010	<u>\$ 258,930,092</u>	<u>\$ 1,170,317,105</u>	<u>\$ 497,497,367</u>	<u>\$ 62,040,454</u>	<u>\$ 1,988,785,018</u>

(a) As of December 31, 2010, it was probable that certain funds would be redeemed at a value other than NAV due to pending sales in the secondary market. As a result, the funds were measured based on evidence of the price a market participant would pay in an orderly transaction. As there were no significant unobservable inputs in determining fair value, these funds were reclassified from Level 3 to Level 2.

The Plan reports transfers within the fair value hierarchy at the beginning of the reporting period.

Below is a summary of the ITT Master Trust's investments at December 31, 2011, where fair value is estimated based on NAV:

Investment	Fair Value	Unfunded Commitment	Redemption Frequency (if Eligible)	Redemption Notice Period
CCT funds:				
Domestic (a)	\$ 69,712,930	\$ -	Daily	T-1
Developed markets (b)	33,456,167		Daily	T-2
Emerging markets (c)	16,359,534		Daily	T-2
Fixed income — bond (d)	<u>62,808,753</u>	<u> </u>	Daily	T-1
Total CCT funds	<u>182,337,384</u>	<u>-</u>		
Total	<u>\$ 182,337,384</u>	<u>\$ -</u>		

T-1 = trade date plus 1 day

T-2 = trade date plus 2 days

- (a) CCT investing in the equity securities of the largest 3,000 U.S. companies representing the broad market intended to match the performance of the Russell 3000 index.
- (b) CCT investing primarily in equity securities in Europe, Asia, and the Far East intended to mirror the performance of the Morgan Stanley Capital International (MSCI) Europe, Asia, Far East (EAFE) index.
- (c) CCT investing primarily in equity market performance in global emerging markets intended to mirror the performance of the MSCI Emerging Markets index.
- (d) CCT investing in investment grade fixed-rate taxable bonds intended to match the performance of the Barclays Capital U.S. Aggregate Bond Index.

Below is a summary of the Former Master Trust's investments at December 31, 2010, where fair value is estimated based on NAV (in thousands):

Investment	Fair Value	Unfunded Commitment	Redemption Frequency (if Eligible)	Redemption Notice Period
Equities:				
Domestic	\$ 264,572	\$ -	Daily	N/A
Developed markets	118,140		Daily	N/A
Emerging markets	<u>267,859</u>	<u> </u>	Daily	N/A
Total equities	<u>650,571</u>	<u>-</u>		
Private equity:				
Buyout funds (a)	1,016,952	374,271	N/A (j)	None
Distressed funds (b)	233,513	125,627	N/A (j)	None
Venture/growth equity funds (c)	47,497	52,185	N/A (j)	None
Mezzanine (d)	<u>34,914</u>	<u>42,791</u>	N/A (j)	None
Total private equity	<u>1,332,876</u>	<u>594,874</u>		
Absolute returns (hedge funds):				
Fund of funds (e)	275,278		Weekly, Quarterly	Four to 60 days (i)
Fixed income/multi-strat (f)	373,871		Quarterly	30 to 91 days (i)
Equity long/short (g)	134,601		Daily, Monthly	30 to 60 days (i)
Macro (h)	<u>12,404</u>	<u> </u>	Daily, Monthly	Three to 30 days (i)
Total absolute returns	<u>796,154</u>	<u>-</u>		
Fixed income	<u>60,724</u>	<u> </u>	Daily	N/A
Other:				
Commodities	245,974		Monthly, Quarterly	30 to 90 days
Cash and other, net	<u>98,748</u>	<u> </u>	Annually, Daily	N/A
Total other	<u>344,722</u>	<u>-</u>		
Total	<u>\$ 3,185,047</u>	<u>\$ 594,874</u>		

- (a) Private equity buyout funds are partnership investment vehicles that take a controlling interest primarily in private companies with the intent of developing them for future sale at a higher price to a strategic or financial buyer or through an initial public offering. These investments include \$498,543 where ownership of the partnership interest is directly held and \$416,573 invested through funds of private equity funds. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. These partnership vehicles are expected to be liquidated over the next three to 12 years.
- (b) Private equity distressed funds are partnership investment vehicles that purchase debt or preferred equity instruments of companies that are distressed, near bankrupt, or bankrupt. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. These partnership vehicles are expected to be liquidated over the next seven to nine years.
- (c) Venture and growth private equity funds are partnership investment vehicles that provide seed or growth capital to start-ups and early stage companies, usually in high growth industries, such as information and clean technology, health care, and biotechnology. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. These partnership vehicles are expected to be liquidated over the next seven to nine years.

- (d) Mezzanine private equity funds provide mezzanine loans to companies that need capital, but do not want to sell or dilute their equity interests. Mezzanine loans are subordinated debt or preferred equity securities that represent a claim on the borrower's assets, which is senior to the common equity but subordinate to senior secured and unsecured debt. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. These partnership vehicles are expected to be liquidated over the next 10 to 12 years.
- (e) Absolute return fund of funds include partnership investment vehicles that invest in a diversified portfolio of other hedge funds that employ a range of investment strategies.
- (f) Fixed income/multi-strat absolute return funds are partnership investment vehicles that invest in multiple investment strategies, such as macro, equity long/short, convertible arbitrage, and event driven, often with the intent to diversify risk and reduce volatility.
- (g) Equity long/short absolute return funds include partnership investment vehicles that can purchase both long and short positions of publicly traded equities. Management of the fund has the ability to shift investments from valued-to-growth strategies, from small-to-large capitalization companies, and from a net long position to a net short position.
- (h) Macro absolute return funds include partnership investment vehicles that make investments predicated on the managers views, either fundamentally or quantitatively derived, on different global factors, such as asset allocation (e.g., stocks versus bonds) interest rates, currency, sovereign risk, and commodities over a span of different time frames.
- (i) Redemption restrictions vary by investment management agreement, but are based on the initial investment date and take into account summary of liquidity terms, notice period, redemption schedule, withdrawal with or without penalties, and the firm's redemption schedule.
- (j) Private equity assets are "redeemed" via a secondary sale market where a broker is contracted to bid out the assets in question.

6. INVESTMENTS

The ITT Master Trust's investments, which represented 5% or more of ITT Master Trust's net assets as of December 31, 2011, are shown below. There were no investments that represented 5% or more of the Former Master Trust's net assets as of December 31, 2010.

	2011
MFB NT Collective Aggregate Bond Index Fund — Nonlending	\$ 62,835,951
MFB NT Collective Russell 3000 Index Fund — Nonlending	60,039,648
MFB NT Collective EAFE Index Fund — Nonlending	33,456,167
MFB NT Collective MSCI Emerging Markets Fund — Nonlending	16,359,533
COLTV Short Term Investment Fund	9,673,282

7. SECURITIES LENDING

The Former Master Trust participated in a securities lending program through the Trustee. Under this program, the Former Master Trust's investment securities are loaned to investment brokers for a fee. As of November 2010, the Former Master Trust exited the securities lending program. Securities loaned were fully collateralized by cash that was invested in CCT funds. Income from the program was immaterial for the year ended December 31, 2010. Fees from security lending activities were \$862,000 for the year ended December 31, 2010.

8. INTEREST IN MASTER TRUSTS

The net assets of the ITT Master Trust and the Former Master Trust at December 31, 2011 and 2010, respectively, are summarized as follows:

	2011	2010
Assets:		
Investments:		
Common and preferred stocks	\$ -	\$ 1,269,944,000
U.S. government securities		938,000
Corporate bonds and notes		1,628,882,000
Partnerships/joint ventures		796,154,000
Hedge funds		240,052,000
Registered investment companies		516,291,000
CCT funds:		
Domestic	69,712,930	
Developed markets	33,456,167	
Emerging markets	16,359,534	
Fixed income — bond	62,808,753	
Other		54,297,018
Total investments	<u>182,337,384</u>	<u>4,506,558,018</u>
Net assets of the Master Trusts	<u>\$ 182,337,384</u>	<u>\$ 4,506,558,018</u>
Plan's interest in net assets of the Master Trusts	<u>\$ 63,502,656</u>	<u>\$ 58,222,550</u>
Plan's interest in Master Trusts as a percentage of the total	<u>34.83 %</u>	<u>1.29 %</u>

The net investment loss of the ITT Master Trust for the period from October 31, 2011 through December 31, 2011, is summarized below:

	2011
Net appreciation (depreciation) in investments —	
CCT funds:	
Domestic	\$ 231,151
Developed markets	(2,083,478)
Emerging markets	(1,410,289)
Fixed income — bond	<u>641,573</u>
Total CCT funds	<u>(2,621,043)</u>
Net depreciation in fair value of investments	(2,621,043)
Interest expense	(604)
Administrative expenses	<u>(5,105)</u>
Net investment loss of ITT Master Trust	<u><u>\$ (2,626,752)</u></u>
Plan's interest in ITT Master Trust's investment loss	<u><u>\$ (913,504)</u></u>

The net investment income (loss) of the Former Master Trust for the period from January 1, 2011 through October 31, 2011, and the year ended December 31, 2010, is summarized below:

	2011	2010
Net (depreciation) appreciation in fair value of investments:		
Common and preferred stocks	\$ (47,484,648)	\$ 160,559,000
U.S. government securities		(5,341,000)
Corporate bonds and notes	(2,188)	815,000
Partnerships/joint ventures	73,265,148	216,091,000
Hedge funds	(41,499,358)	52,599,000
Registered investment companies	(36,817,594)	40,024,000
CCT funds	(17,737,375)	94,211,000
Other	<u>(8,000,000)</u>	<u>35,355,000</u>
Net (depreciation) appreciation in fair value of investments	(78,276,015)	594,313,000
Interest income	1,505,686	7,321,000
Dividend income	17,780,455	20,537,000
Other income	22,551,463	27,679,000
Administrative expenses	<u>(25,010,872)</u>	<u>(29,534,000)</u>
Net investment (loss) income of the Former Master Trust	<u><u>\$ (61,449,283)</u></u>	<u><u>\$ 620,316,000</u></u>
Plan's interest in the Former Master Trust's investment (loss) income	<u><u>\$ (1,116,310)</u></u>	<u><u>\$ 7,346,048</u></u>

9. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Master Trusts' investments are shares of registered investment companies managed by the Trustee. In addition, the Former Master Trust entered into a securities lending agreement with the Trustee as described in Note 7. These assets and related transactions qualify as exempt party-in-interest transactions.

In addition, the Former Master Trust invested in shares of ITT Corporation common stock. At December 31, 2010, the Former Master Trust held 1,038,000 shares of common stock of ITT Corporation, with a market value of \$54,325,000. During the year ended December 31, 2010, the Former Master Trust recorded dividend income of \$1,038,000 from the common stock of ITT Corporation. As Goulds Pumps, Inc., a subsidiary of ITT Corporation, is the Plan Sponsor, these transactions qualify as exempt party-in-interest transactions.

Certain administrative functions are performed by officers and employees of the Company (who may also be a participant in the Plan) at no cost to the Plan or Master Trusts. These transactions are not deemed prohibited party-in-interest transactions because they are covered by the statutory administrative exemptions from the Internal Revenue Code (IRC) and ERISA's rules on prohibited transactions.

10. FEDERAL INCOME TAX STATUS

The IRS has determined and informed the Company by a letter dated August 29, 2002, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter; however, the Company and Plan management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and 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 the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

11. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan, in certain circumstances, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations there under, and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the existing assets and the PBGC guaranty while other benefits may not be provided for at all.

12. SUBSEQUENT EVENTS

For the year ended December 31, 2011, subsequent events were evaluated through August 21, 2012, the date the financial statements were available to be issued. On March 20, 2012, the Company chose to accelerate all remaining 2012 Plan contributions of \$5,654,000 on March 20, 2012, and make a \$5,970,696 voluntary contribution to the Plan. All 2012 contributions were allocated to the 2011 plan year except the January 3, 2012, contribution totaling \$105,000, which was allocated to the 2012 Plan year.

* * * * *

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, line 22 – Description of Weighted Average Retirement Age

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the “½” is not used for $t = FRA - ERA$.

$$\sum_{t=0}^{FRA-ERA} ({}_t p_{ERA}) * (q_{ERA+t}^r) * (ERA + t + \frac{1}{2})$$

$$\sum_{t=0}^{FRA-ERA} ({}_t p_{ERA}) * (q_{ERA+t}^r)$$

where

FRA = age by which everyone is assumed to retire
 ERA = age before which nobody is assumed to retire
 ${}_t p_{ERA}$ = probability of surviving at work to age $ERA + t$
 q_{ERA+t}^r = probability of retiring at age $ERA + t$

Probability of

<u>Age</u>	<u>Normal Retirement</u>	<u>Early Retirement</u>
55		2.03%
56		2.05
57		2.07
58		2.14
59		2.19
60		2.30
61		2.37
62	70.00%	
63	30.00	
64	30.00	
65	30.00	
66	30.00	
67	30.00	
68	30.00	
69	30.00	
70	100.00	

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Summary of Plan Provisions

Effective date

December 4, 1950.

Last amended

January 1, 2011.

Covered employees

Any employee of the Company who is covered by the collective bargaining agreement entered into by the Company and United Steelworkers of America, AFL-CIO, Local 3298.

Eligibility for participation

A covered employee becomes a member of the Plan on his date of employment.

Vesting service

Vesting service is equal to the elapsed period of time in completed years since a covered employee's date of employment.

Benefit service

In general, a covered employee earns one month of Benefit Service for each calendar month during which he has one hour of service.

Actuarial Equivalent

- | | | |
|-----|-----------------------|--|
| (1) | 100% J&S | 83% plus (minus) 0.75% for each year that the spouse is older (younger) than the Participant. |
| (2) | 75% J&S | 86.5% plus (minus) 0.625% for each year that the spouse is older (younger) than the Participant. |
| (3) | 66- $\frac{2}{3}$ J&S | 88% plus (minus) 0.50% for each year that the spouse is older (younger) than the Participant. |
| (4) | 50% J&S | 90% plus (minus) 0.50% for each year that the spouse is older (younger) than the Participant. |
| (5) | 10-Year C&L | 92% plus 0.50% for each year prior to age 65 or minus 1% for each year after age 65 Annuity Starting Date. |

Normal retirement pension

Eligibility

Age 62 and five years of Vesting Service.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Summary of Plan Provisions (Continued)

Basic monthly benefit

The amount of monthly benefit depends upon the member's date of retirement and is determined in accordance with the following schedule:

Last Day of Employment	Benefit Unit Per Year of Service
Before January 1, 2000	\$ 25.00
During 2000	\$ 26.00
During 2001	\$ 26.00
During 2002	\$ 27.00
On or After January 1, 2003	\$ 28.00

The benefit schedule for Seneca Falls participants:

Last Day of Employment	Benefit Unit Per Year of Service prior to January 1, 2003	Benefit Unit Per Year of Service on or after January 1, 2003
Before January 1, 2008	\$ 28.00	\$ 33.00
During 2008	\$ 32.00	\$ 37.00
During 2009	\$ 33.00	\$ 39.00
During 2010	\$ 34.00	\$ 41.00
During 2011	\$ 35.00	\$ 43.00
On or after January 1, 2012	\$ 36.00	\$ 45.00

The benefit schedule for Water System Operations participants:

Last Day of Employment	Benefit Unit Per Year of Service prior to January 1, 2005	Benefit Unit Per Year of Service on or after January 1, 2005
Before January 1, 2011	\$ 31.00	\$ 40.00
During 2011	\$ 32.00	\$ 41.00
During 2012	\$ 33.00	\$ 42.00
During 2013	\$ 34.00	\$ 43.00
On or after January 1, 2014	\$ 35.00	\$ 44.00

Early retirement pension

Eligibility

Age 55 and five years of Vesting Service.

Benefit

Accrued pension deferred to age 62; or immediate pension equal to accrued pension reduced by 1/3% for each month by which commencement precedes normal retirement date.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Summary of Plan Provisions (Continued)

Disability retirement pension

Eligibility

Total and permanent disability after five years of Vesting Service.

Benefit

Accrued pension payable immediately.

Deferred vested pension

Eligibility

Five years of Vesting Service.

Benefit

Accrued pension deferred to age 62, or reduced pension after age 55. Reduction same as for early retirement.

Spouse's benefit

Eligibility

Death after becoming eligible for a vested benefit.

Benefit

If the death of the member occurs while the member is actively employed, the benefit payable for life to the surviving spouse is 50% (reduced by 1% for each full year the surviving spouse is more than 10 years younger than the deceased member) of the member's accrued benefit as of the date of death. Benefit commences on the first day of the month next following the later of the date on which the member's death occurred and the date the member would have attained age 45.

If the death of the member occurs subsequent to the member's date of termination and prior to the commencement of benefit payments, the benefit payable for life to the surviving spouse is 50% of the member's accrued benefit as of the date of death reduced for early commencement of payments and for the 50% joint and survivor form of payment. This benefit is payable commencing on the earliest date the member could have retired and commenced benefit payments had he survived.

Normal form of benefit

Single

Life annuity.

Married

Reduced 50% joint and survivorship annuity.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Summary of Plan Provisions (Continued)

Optional forms of benefit

- (1) Life annuity.
- (2) Ten Year Certain and Life annuity.
- (3) 50% joint and survivorship annuity.
- (4) 66-2/3% joint and survivorship annuity.
- (5) 75% joint and survivorship annuity.
- (6) 100% joint and survivorship annuity.

Contributions

Noncontributory.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, line 24 – Change in Actuarial Assumptions

- The expected plan related expenses added to the Target Normal Cost were updated from \$310,444 to \$305,520.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN / PN: 15-0321120 / 001

Schedule SB, line 26 - Schedule of Active Participant Data

	CREDITED SERVICE										
AGE	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
Under 25	9	11	0	0	0	0	0	0	0	0	20
25 - 29	5	14	6	0	0	0	0	0	0	0	25
30 - 34	8	12	11	1	0	0	0	0	0	0	32
35 - 39	5	9	9	7	9	1	0	0	0	0	40
40 - 44	2	5	12	4	9	24	0	0	0	0	56
45 - 49	10	8	17	9	15	32	1	2	0	0	94
50 - 54	5	9	15	13	11	29	6	60	3	0	151
55 - 59	4	10	17	7	5	9	5	46	40	4	147
60 - 64	3	4	4	0	3	1	0	7	6	10	38
65 - 69	0	0	0	1	0	0	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0	0
Total	51	82	91	42	52	96	12	115	49	14	604

Includes participants on leave of absence and transferred participants.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN / PN: 15-0321120 / 001

Schedule SB, line 32 - Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments as of January 1, 2011	Date Established	Remaining Installments	Shortfall Amortization Installment
Shortfall	\$6,058,152	1/1/2011	7	\$996,745
Shortfall	\$2,859,391	1/1/2010	6	\$530,970
Shortfall	\$6,376,570	1/1/2009	5	\$1,371,661

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Prescribed Funding Assumptions and Methods

Funding interest rates

Current Year:	Segment Rates with four month lookback:	
	First Segment Rate	3.78%
	Second Segment Rate	6.31%
	Third Segment Rate	6.57%
	Effective Interest Rate	6.28%
Prior Year:	Segment Rates with four month lookback:	
	First Segment Rate	5.03%
	Second Segment Rate	6.73%
	Third Segment Rate	6.82%
	Effective Interest Rate	6.68%

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Non-Prescribed Funding Assumptions and Methods

Expenses

Expected plan related expenses of \$305,520 were added to the Target Normal Cost.

Frequency of optional payment forms

55% of future retirees and terminations are assumed to take a life annuity. For future retirees and terminations who are assumed not to take a life annuity, 10% are assumed to take a Joint and Survivor 50%, 5% are assumed to take a Joint and Survivor 66 2/3%, 10% are assumed to take a Joint and Survivor 75%, 15% are assumed to take a Joint and Survivor 100%, and 5% are assumed to take 10-Year Certain and Life Annuity.

Marital percentage

85% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Mortality table

The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used

Retirement rates

Age	Assumption
55	2.03%
56	2.05%
57	2.07%
58	2.14%
59	2.19%
60	2.30%
61	2.37%
62	70.00%
63	30.00%
64	30.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70	100.00%

Terminated vested participants are assumed to retire at age 60.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Disability rates

Age	Rates
25	0.03%
30	0.03%
35	0.03%
40	0.04%
45	0.08%
50	0.21%
55	0.45%
60	1.01%
65	0.00%

Withdrawal rates¹

Age	Rates
25	8.36%
30	6.30%
35	4.77%
40	3.76%
45	3.00%
50	2.35%
55	2.03%
60	2.30%
65	0.00%

The rates shown are the ultimate withdrawal rates for participants with 3 or more years of service. For ages 45 or less, the rates for the first, second, and third year of employment are the above multiplied by 1.838 plus 0.0343, 1.393 plus 0.0056 and 1.240 minus 0.0046, respectively.

¹ For active participants not eligible for retirement.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the of the gain/(loss) in the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

The expected return on plan assets is 9.00% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2010 measurement period:	6.82%
2009 measurement period:	6.69%

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="font-size: 24pt; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) _____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☒		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description) _____		

Part II Basic Plan Information—enter all requested information			
1a Name of plan <u>ITT Pension Plan for Bargaining Unit Employees,</u> <u>Seneca Falls, New York</u>	1b Three-digit plan number (PN) ▶	<u>001</u>	
		<u>12/04/1950</u>	
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>Goulds Pumps, Inc.</u> <u>240 Fall Street</u> <u>Seneca Falls</u> <u>NY</u> <u>13148-1590</u>	2b Employer Identification Number (EIN) <u>15-0321120</u>	2c Sponsor's telephone number <u>(315) 568-7280</u>	2d Business code (see instructions) <u>333200</u>

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

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

SIGN HERE		<u>10/4/2012</u>	<u>Conrad Arnold</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		<u>10/5/12</u>	<u>Janice Klettner</u>
	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

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2011**This Form is Open to Public
Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan ITT Pension Plan for Barg Unit Emp, Seneca Falls, NY		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Goulds Pumps, Inc.		D Employer Identification Number (EIN) 15-0321120
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value		2a	66,601,425
b Actuarial value		2b	61,253,089
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	641
b For terminated vested participants		3b	172
c For active participants:			
(1) Non-vested benefits.....		3c(1)	496,105
(2) Vested benefits		3c(2)	29,066,416
(3) Total active.....		3c(3)	604
d Total.....		3d	1,417
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	6.28 %
6 Target normal cost		6	1,609,584

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		07/13/2012
Signature of actuary		Date
Barbara H. Vaughan		11-04686
Type or print name of actuary		Most recent enrollment number
Buck Consultants, LLC		(201) 902-2300
Firm name		Telephone number (including area code)
500 Plaza Drive		
Secaucus NJ 07096-1533		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2011
v.012611

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	1,212,188
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1,212,188
9	Amount remaining (line 7 minus line 8).....	0	0
10	Interest on line 9 using prior year's actual return of <u>14.01</u> %.....	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		6,252,921
b	Interest on (a) using prior year's effective rate of <u>6.68</u> % except as otherwise provided (see instructions).....		506,549
c	Total available at beginning of current plan year to add to prefunding balance.....		6,759,470
d	Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III	Funding percentages		
14	Funding target attainment percentage	14	80.02 %
15	Adjusted funding target attainment percentage	15	80.75 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.82 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV	Contributions and liquidity shortfalls
18	Contributions made to the plan for the plan year by employer(s) and employees:
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)
(c) Amount paid by employees	(a) Date (MM-DD-YYYY)
(b) Amount paid by employer(s)	(c) Amount paid by employees
01/03/2011	562,000
04/15/2011	894,000
07/15/2011	894,000
10/14/2011	894,000
01/13/2012	894,000
03/20/2012	11,624,696
Totals •	
18(b)	15,762,696
18(c)	0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a	Contributions allocated toward unpaid minimum required contributions from prior years.	0
b	Contributions made to avoid restrictions adjusted to valuation date.....	561,812
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	14,230,386
20	Quarterly contributions and liquidity shortfalls:	
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c	If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment		27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	1,609,584
b Excess assets, if applicable, but not greater than 31a		31b	0
32 Amortization installments:			
		Outstanding Balance	Installment
a Net shortfall amortization installment		15,294,113	2,899,376
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	4,508,960
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)		36	4,508,960
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	14,230,386
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	9,721,426
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, line 22 – Description of Weighted Average Retirement Age

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the “½” is not used for t = FRA-ERA.

$$\sum_{t=0}^{FRA-ERA} (i p_{ERA}) * (q_{ERA+t}^r) * (ERA + t + \frac{1}{2})$$

$$\sum_{t=0}^{FRA-ERA} (i p_{ERA}) * (q_{ERA+t}^r)$$

where

FRA = age by which everyone is assumed to retire
 ERA = age before which nobody is assumed to retire
 $i p_{ERA}$ = probability of surviving at work to age ERA + t
 q_{ERA+t}^r = probability of retiring at age ERA + t

Probability of

<u>Age</u>	<u>Normal Retirement</u>	<u>Early Retirement</u>
55		2.03%
56		2.05
57		2.07
58		2.14
59		2.19
60		2.30
61		2.37
62	70.00%	
63	30.00	
64	30.00	
65	30.00	
66	30.00	
67	30.00	
68	30.00	
69	30.00	
70	100.00	

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Prescribed Funding Assumptions and Methods

Funding interest rates

Current Year:	Segment Rates with four month lookback:	
	First Segment Rate	3.78%
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	Effective Interest Rate	6.28%
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	Second Segment Rate	6.73%
	Third Segment Rate	6.82%
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Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Non-Prescribed Funding Assumptions and Methods

Expenses

Expected plan related expenses of \$305,520 were added to the Target Normal Cost.

Frequency of optional payment forms

55% of future retirees and terminations are assumed to take a life annuity. For future retirees and terminations who are assumed not to take a life annuity, 10% are assumed to take a Joint and Survivor 50%, 5% are assumed to take a Joint and Survivor 66 2/3%, 10% are assumed to take a Joint and Survivor 75%, 15% are assumed to take a Joint and Survivor 100%, and 5% are assumed to take 10-Year Certain and Life Annuity.

Marital percentage

85% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Mortality table

The mortality table is applied on a static basis. Separate annuitant and non-annuitant tables were used

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59	2.19%
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63	30.00%
64	30.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70	100.00%

Terminated vested participants are assumed to retire at age 60.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Disability rates

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25	0.03%
30	0.03%
35	0.03%
40	0.04%
45	0.08%
50	0.21%
55	0.45%
60	1.01%
65	0.00%

Withdrawal rates¹

Age	Rates
25	8.36%
30	6.30%
35	4.77%
40	3.76%
45	3.00%
50	2.35%
55	2.03%
60	2.30%
65	0.00%

The rates shown are the ultimate withdrawal rates for participants with 3 or more years of service. For ages 45 or less, the rates for the first, second, and third year of employment are the above multiplied by 1.838 plus 0.0343, 1.393 plus 0.0056 and 1.240 minus 0.0046, respectively.

¹ For active participants not eligible for retirement.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (Continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is Market Value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the of the gain/(loss) in the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on Market Value during the period less the expected return on Market Value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of Market Value, including discounted receivable contributions.

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2009 measurement period:	6.69%

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

EIN/PN: 15-0321120 / 001

Schedule SB, Part V – Summary of Plan Provisions

Effective date

December 4, 1950.

Last amended

January 1, 2011.

Covered employees

Any employee of the Company who is covered by the collective bargaining agreement entered into by the Company and United Steelworkers of America, AFL-CIO, Local 3298.

Eligibility for participation

A covered employee becomes a member of the Plan on his date of employment.

Vesting service

Vesting service is equal to the elapsed period of time in completed years since a covered employee's date of employment.

Benefit service

In general, a covered employee earns one month of Benefit Service for each calendar month during which he has one hour of service.

Actuarial Equivalent

- | | | |
|-----|-----------------------|--|
| (1) | 100% J&S | 83% plus (minus) 0.75% for each year that the spouse is older (younger) than the Participant. |
| (2) | 75% J&S | 86.5% plus (minus) 0.625% for each year that the spouse is older (younger) than the Participant. |
| (3) | 66- $\frac{2}{3}$ J&S | 88% plus (minus) 0.50% for each year that the spouse is older (younger) than the Participant. |
| (4) | 50% J&S | 90% plus (minus) 0.50% for each year that the spouse is older (younger) than the Participant. |
| (5) | 10-Year C&L | 92% plus 0.50% for each year prior to age 65 or minus 1% for each year after age 65 Annuity Starting Date. |

Normal retirement pension

Eligibility

Age 62 and five years of Vesting Service.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

Basic monthly benefit

The amount of monthly benefit depends upon the member's date of retirement and is determined in accordance with the following schedule:

Last Day of Employment	Benefit Unit Per Year of Service
Before January 1, 2000	\$ 25.00
During 2000	\$ 26.00
During 2001	\$ 26.00
During 2002	\$ 27.00
On or After January 1, 2003	\$ 28.00

The benefit schedule for Seneca Falls participants:

Last Day of Employment	Benefit Unit Per Year of Service prior to January 1, 2003	Benefit Unit Per Year of Service on or after January 1, 2003
Before January 1, 2008	\$ 28.00	\$ 33.00
During 2008	\$ 32.00	\$ 37.00
During 2009	\$ 33.00	\$ 39.00
During 2010	\$ 34.00	\$ 41.00
During 2011	\$ 35.00	\$ 43.00
On or after January 1, 2012	\$ 36.00	\$ 45.00

The benefit schedule for Water System Operations participants:

Last Day of Employment	Benefit Unit Per Year of Service prior to January 1, 2005	Benefit Unit Per Year of Service on or after January 1, 2005
Before January 1, 2011	\$ 31.00	\$ 40.00
During 2011	\$ 32.00	\$ 41.00
During 2012	\$ 33.00	\$ 42.00
During 2013	\$ 34.00	\$ 43.00
On or after January 1, 2014	\$ 35.00	\$ 44.00

Early retirement pension

Eligibility

Age 55 and five years of Vesting Service.

Benefit

Accrued pension deferred to age 62; or immediate pension equal to accrued pension reduced by 1/3% for each month by which commencement precedes normal retirement date.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

Disability retirement pension

Eligibility

Total and permanent disability after five years of Vesting Service.

Benefit

Accrued pension payable immediately.

Deferred vested pension

Eligibility

Five years of Vesting Service.

Benefit

Accrued pension deferred to age 62, or reduced pension after age 55. Reduction same as for early retirement.

Spouse's benefit

Eligibility

Death after becoming eligible for a vested benefit.

Benefit

If the death of the member occurs while the member is actively employed, the benefit payable for life to the surviving spouse is 50% (reduced by 1% for each full year the surviving spouse is more than 10 years younger than the deceased member) of the member's accrued benefit as of the date of death. Benefit commences on the first day of the month next following the later of the date on which the member's death occurred and the date the member would have attained age 45.

If the death of the member occurs subsequent to the member's date of termination and prior to the commencement of benefit payments, the benefit payable for life to the surviving spouse is 50% of the member's accrued benefit as of the date of death reduced for early commencement of payments and for the 50% joint and survivor form of payment. This benefit is payable commencing on the earliest date the member could have retired and commenced benefit payments had he survived.

Normal form of benefit

Single

Life annuity.

Married

Reduced 50% joint and survivorship annuity.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

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Schedule SB, Part V – Summary of Plan Provisions (Continued)

Optional forms of benefit

- (1) Life annuity.
- (2) Ten Year Certain and Life annuity.
- (3) 50% joint and survivorship annuity.
- (4) 66-2/3% joint and survivorship annuity.
- (5) 75% joint and survivorship annuity.
- (6) 100% joint and survivorship annuity.

Contributions

Noncontributory.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

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Schedule SB, line 24 – Change in Actuarial Assumptions

- The expected plan related expenses added to the Target Normal Cost were updated from \$310,444 to \$305,520.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

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Schedule SB, line 26 - Schedule of Active Participant Data

	CREDITED SERVICE										
AGE	Under 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	Total
Under 25	9	11	0	0	0	0	0	0	0	0	20
25 - 29	5	14	6	0	0	0	0	0	0	0	25
30 - 34	8	12	11	1	0	0	0	0	0	0	32
35 - 39	5	9	9	7	9	1	0	0	0	0	40
40 - 44	2	5	12	4	9	24	0	0	0	0	56
45 - 49	10	8	17	9	15	32	1	2	0	0	94
50 - 54	5	9	15	13	11	29	6	60	3	0	151
55 - 59	4	10	17	7	5	9	5	46	40	4	147
60 - 64	3	4	4	0	3	1	0	7	6	10	38
65 - 69	0	0	0	1	0	0	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0	0
Total	51	82	91	42	52	96	12	115	49	14	604

Includes participants on leave of absence and transferred participants.

ITT Pension Plan for Bargaining Unit Employees, Seneca Falls, New York

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Schedule SB, line 32 - Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments as of January 1, 2011	Date Established	Remaining Installments	Shortfall Amortization Installment
Shortfall	\$6,058,152	1/1/2011	7	\$996,745
Shortfall	\$2,859,391	1/1/2010	6	\$530,970
Shortfall	\$6,376,570	1/1/2009	5	\$1,371,661

Plan Name	ITT Pension Plan for Bargaining Unit Employees Seneca Falls, New York
Plan Sponsor EIN	15-0321120
ERISA Plan #	001
Plan Year Ending	12 / 31 / 2011

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	