

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 2015 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____ B This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months). C If the plan is a collectively-bargained plan, check here. ☐ D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>THE HARTLEY COMPANY PENSION PLAN AND TRUST</u>	1b Three-digit plan number (PN) ▶	001	
	1c Effective date of plan <u>12/15/1968</u>		
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE HARTLEY COMPANY</u> <u>319 WHEELING AVENUE</u> <u>CAMBRIDGE, OH 43725</u>	2b Employer Identification Number (EIN) <u>31-4201640</u>	2c Plan Sponsor's telephone number <u>740-432-2328</u>	2d Business code (see instructions) <u>424700</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	Filed with authorized/valid electronic signature.	10/17/2016	DOUGLAS HARTLEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN
	3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 146
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 68
a(2) Total number of active participants at the end of the plan year	6a(2) 52
b Retired or separated participants receiving benefits.....	6b 2
c Other retired or separated participants entitled to future benefits.....	6c 82
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 136
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 136
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 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 11	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

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

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

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE 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 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ 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 THE HARTLEY COMPANY PENSION PLAN AND TRUST	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE HARTLEY COMPANY	D Employer Identification Number (EIN) 31-4201640

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 01 Day 01 Year 2015			
2 Assets:			
a Market value	2a	1806360	
b Actuarial value	2b	1764172	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	2	265355	265355
b For terminated vested participants	76	302769	302769
c For active participants	68	1281965	1283080
d Total	146	1850089	1851204
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	6.36%	
6 Target normal cost	6	40	

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		
Signature of actuary	10/03/2016	Date
ANDREW BEHNKE, MSPA, MAAA	14-07643	Most recent enrollment number
Type or print name of actuary	248-539-5000	Telephone number (including area code)
MIDWEST PENSION ACTUARIES, INC.		
Firm name		
30680 TWELVE MILE ROAD FARMINGTON HILLS, MI 48334		
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 ☐

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	62
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	62
10 Interest on line 9 using prior year's actual return of <u>6.63</u> %	0	4
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		726
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.15</u> %		45
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		771
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	66

Part III Funding Percentages		
14 Funding target attainment percentage.....	14	95.29 %
15 Adjusted funding target attainment percentage	15	91.29 %
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	88.93 %
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
07/20/2015	13191	0			
10/13/2015	23265	0			
01/15/2016	20687	0			
			Totals ►	18(b)	57143
				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	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	54092
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?..... ☐ Yes ☒ No		
c If line 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
0	0	0
		(4) 4th
		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
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 subject to 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	40	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	87098	50537	
b Waiver amortization installment			
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	50577	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	50577	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	54092	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3515	
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 an election was made to use PRA 2010 funding relief for this plan:			
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan THE HARTLEY COMPANY PENSION PLAN AND TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 THE HARTLEY COMPANY	D Employer Identification Number (EIN) 31-4201640	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

PEOPLES BANK

31-1278433

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	9713	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BENEFIT ADVANTAGE, INC.

38-3254950

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14 11	NONE	1000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIRST MERIT BANK

31-1278433

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	750	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan THE HARTLEY COMPANY PENSION PLAN AND TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 THE HARTLEY COMPANY	D Employer Identification Number (EIN) 31-4201640	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	27081	20687
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	73958	63887
(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)		
(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)	1705321	1440956
(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	1806360	1525530

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1806360	1525530
---	-----------	---------	---------

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)	57143	
(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)		57143
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)	7	
(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)		7
(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)	46400	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		46400
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-49459
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		54091

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	298479	
(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)		298479
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)	36442	
(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)		36442
j Total expenses. Add all expense amounts in column (b) and enter total	2j		334921

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-280830
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: REA & ASSOCIATES, INC.

(2) EIN: 34-1310124

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	N/A	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.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
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			250000
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.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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

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

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

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

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>THE HARTLEY COMPANY PENSION PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE HARTLEY COMPANY</u>	D Employer Identification Number (EIN) <u>31-4201640</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<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): _____ 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>7</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
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☒ No
---	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
----------------	---

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

The Hartley Company Pension Plan and Trust

Audited Financial Statements

December 31, 2015 and 2014



Rea & associates

www.reacpa.com

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October 14, 2016

To the Plan Trustees and Participants of the
The Hartley Company Pension
Plan and Trust
Cambridge, Ohio

Independent Auditor's Report

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Hartley Company Pension Plan and Trust (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2014 and 2015 and the related statement of changes in net assets available for benefits for the year then ended, the statement of accumulated plan benefits as of December 31, 2014, and the statement of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Peoples Bank and FirstMerit Bank NA, the custodians of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the custodians as of December 31, 2015, and for the year then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matters

The supplemental schedule of assets held for investment purposes as of the year ended December 31, 2015, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified or provided by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rea & Associates, Inc.

THE HARTLEY COMPANY
PENSION PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS:		
Investments, at fair value:		
Cash- money market accounts	\$ 63,887	\$ 73,958
Mutual funds	1,440,956	1,705,321
Total investments, at fair value	<u>1,504,843</u>	<u>1,779,279</u>
Receivables:		
Employer Contributions	<u>20,687</u>	<u>27,081</u>
Net assets available for benefits	<u>\$ 1,525,530</u>	<u>\$ 1,806,360</u>

The accompanying notes are an integral part of these financial statements.

THE HARTLEY COMPANY
PENSION PLAN AND TRUST

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ADDITIONS TO NET ASSETS:		
Investment income:		
Net appreciation/(depreciation) in fair value of mutual funds	\$ (49,459)	\$ 55,611
Interest and Dividend Income	46,407	56,873
Total investment income	<u>(3,052)</u>	<u>112,484</u>
Employer contribution	57,143	66,992
Total additions	<u>54,091</u>	<u>179,476</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	298,479	96,358
Administrative expense	36,442	12,039
Total Deductions from Net Assets	<u>334,921</u>	<u>108,397</u>
Net increase/(decrease) in net assets available for benefits	(280,830)	71,079
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>1,806,360</u>	<u>1,735,281</u>
NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 1,525,530</u></u>	<u><u>\$ 1,806,360</u></u>

The accompanying notes are an integral part of these financial statements.

THE HARTLEY COMPANY
PENSION PLAN AND TRUST

STATEMENT OF ACCUMULATED PLAN BENEFITS
AS OF DECEMBER 31, 2014 and 2013

	December 31, 2014	December 31, 2013
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS:		
Vested benefits:		
Active lives	\$ 1,281,965	\$ 1,327,887
Retired lives	265,355	279,980
Deferred vested lives	<u>302,769</u>	<u>316,020</u>
Total vested benefits	1,850,089	1,923,887
Nonvested benefits	<u>1,115</u>	<u>5,855</u>
 TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	 <u><u>\$ 1,851,204</u></u>	 <u><u>\$ 1,929,742</u></u>

THE HARTLEY COMPANY
PENSION PLAN AND TRUST

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2014

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS, BEGINNING OF YEAR	\$1,929,742
Benefits paid	(96,358)
Decrease in discount period	119,479
Benefits accumulated	(162,848)
Assumption changes	<u>61,189</u>
 TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS, END OF YEAR	 <u><u>\$1,851,204</u></u>

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

The following brief description of the Hartley Company Pension Plan and Trust ("the Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions. Information about the plan agreement, the vesting and benefit provisions, and the Pension Benefit Guaranty Corporation's benefit guarantee is contained in the Summary Plan Document.

General

The Plan is a non-contributory defined benefit pension plan covering substantially all hourly and salary employees of The Hartley Company. ("the Company"). Effective April 1, 2012, an amendment was made to the Plan to freeze the eligibility, participation and benefit accrual for all participants under the Plan. See Note 4 for more details.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Company's Benefits Committee (Committee), which is a committee of the board of directors of the Company. The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Trustees.

Pension Benefits

Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age of 65. The Plan permits early retirement at age 60. Normal retirement pension benefits equal 21% of the participant's average monthly compensation in excess of one-twelfth of your covered compensation. Effective January 1, 1998, for participants who are projected to have earned less than 35 years of service as of the end of the Plan year in which they attain normal retirement age, the sum of your initial percentage and the excess percentage shall be reduced by $1/35^{\text{th}}$ for each year of service less than 35.

If an employee elects to receive his/her Accrued Benefit prior to Normal Retirement Date, he/she will receive an Accrued Benefit equal to the greater of the Accrued Benefit payable at the Normal Retirement Date reduced by 5/9% for each month that the commencement of the Early Retirement Benefit precedes the Normal Retirement Date, OR the actuarial equivalent of the Accrued Benefit payable at the Normal Retirement Date if such benefit is distributed in a form other than a non-decreasing life annuity payable for a period not less than the employee's life expectancy.

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN (continued)

Vesting

Vesting is deferred according to the following schedule:

1) Participants with more than 2 years of service at April 30, 1997:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 2	0%
2	20%
3	40%
4	60%
5 or more	100%

2) All other Participants

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 5	0%
5 or more	100%

Death and Disability Benefits

Participants who become disabled and their condition continues for a period of six months, they will receive a disability benefit equal to an actuarial equivalent of your accrued benefit payable at your normal retirement date.

Death Benefits are paid to the spouse of a married participant based on the participant's age and whether they were in payment status. For married participants who are currently receiving benefits the spouse will receive the same amount based upon the benefit election made at the retirement date. For married participants who were not in payment status when they died will receive a benefit based on an actuarial calculation for a pre-retirement survivor annuity payment.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are presented on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of Plan assets available for benefits and the actuarial present value of accumulated plan benefits as the date of the financial statements. Actual results could differ from those estimates. The Plan uses an actuary to determine the actuarial present value of accumulated plan benefits. A change in the actuarial assumptions used could significantly change the amount of the actuarial present value of accumulated plan benefits reported in the accompanying financial statements.

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividends are recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

All reasonable expenses, taxes and fees of the Plan, the Committee and the Custodian incurred in the administration of the Plan and Trust Fund shall be paid from the Trust Fund, certain other expenses are paid directly by the Plan Sponsor and are excluded from these financial statements.

Subsequent Events

Subsequent events have been evaluated through October 14, 2016, which is the date the financial statements were available to be issued.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, Fair Value Measurement (Topic 820): *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this Update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2015. For all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. Plan management does not believe this will impact the Plan's financial statements.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosure, (Part III) Measurement Date Practical Expedient*. Part I eliminates the requirements to measure the fair value of benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of the net assets available for benefits

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III provides a practical expedient to permit plans to measure investments and investment-related accounts as of a month-end that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with a month-end. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Parts I and II are to be applied retrospectively, with Part III to be applied prospectively. Parts I and III are not applicable to the Plan. Management has elected to adopt Part II early for the 2015 plan year, and it was retrospectively applied to December 30, 2014. Prior year disclosures have been revised to reflect the retrospective application of this Update.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY CUSTODIANS

Certain information related to investments disclosed in the accompanying financial statements and supplemental schedules, including investments held at December 31, 2015 and 2014, and net appreciation in fair value of investments, interest and dividends for the years ended December 31, 2015 and 2014, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Peoples Bank National Association and FirstMerit Bank, NA (the custodians of the Plan).

NOTE 4: FREEZING OF PLAN BENEFITS

Effective April 1, 2012, the Hartley Company amended the Hartley Company Pension Plan and Trust for the purpose of freezing eligibility, participation and accrued benefit under this plan as follows:

- 1) Effective April 1, 2012, no further retirement benefit shall accrue to any participant under this Plan.
- 2) Effective April 1, 2012, no further compensation shall be recognized under this Plan.
- 3) Effective April 1, 2012, no employee shall become an eligible employee under this Plan. As of April 1, 2012, no employee shall become a participant under this Plan, thus this Plan will not recognize any new participants.

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: FAIR VALUE MEASUREMENTS

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Money market and mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

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

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: FAIR VALUE MEASUREMENTS (continued)

The table below presents the fair value hierarchy of the Plan's assets as of December 31, 2015 and 2014:

Assets at Fair Value as of December 31, 2015

Description	Level 1	Level 2	Level 3	Total
Money market	\$ 63,887	\$ -	\$ -	\$ 63,887
Mutual funds	1,440,956	-	-	1,440,956
Total assets at fair value	<u>\$1,504,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,504,843</u>

Assets at Fair Value as of December 31, 2014

Description	Level 1	Level 2	Level 3	Total
Money market	\$ 73,958	\$ -	\$ -	\$ 73,958
Mutual funds	1,705,321	-	-	1,705,321
Total assets at fair value	<u>\$ 1,779,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,779,279</u>

NOTE 6: PLAN TERMINATION

Although it has not expressed any intention to do so, The Hartley Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. Should the Plan terminate at some future time, its net assets generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: INCOME TAX STATUS

The Internal Revenue Service has determined and informed The Hartley Company Pension Plan and Trust by a letter dated March 23, 2004, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Hartley Company Pension Plan and Trust believes that the Plan is currently being operated in compliance with the applicable requirement of the IRC and has no income subject to unrelated business income tax. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require management of an organization to evaluate tax positions taken by the organization and recognize a tax liability if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed the tax positions taken by the Plan, and had concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

There are currently no audits for any tax periods in progress.

NOTE 8: RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 9: ACTUARIAL ASSUMPTIONS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to services rendered by the employees. Benefits payable under all circumstances (retirement, death, disability, or termination of employment) are included to the extent they are deemed attributable to employee service rendered through the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuary using the unit credit method and is that 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 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 significant actuarial assumptions underlying the computations were made as of January 1. Had the valuations been performed as of December 31, there would be no material differences.

THE HARTLEY COMPANY PENSION
PLAN AND TRUST
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: ACTUARIAL ASSUMPTIONS (continued)

The significant actuarial assumptions underlying the computations for the Plan as of January 1, 2015, are as follows:

Average rate of return:	6.35% per annum, compounded annually, net of investment expenses
Mortality basis:	2015 Combined Mortality for healthy lives
Normal retirement age:	Age 65

The significant actuarial assumptions underlying the computations for the Plan as of January 1, 2014, are as follows:

Average rate of return:	6.15% per annum, compounded annually, net of investment expenses
Mortality basis:	2014 Combined Mortality for healthy lives
Normal retirement age:	Age 65

The net increase in the actuarial present value of accumulated plan benefits each year is the result of benefits paid, discounts for interest, changes in participant mix, actuarial experience gains and losses and changes in actuarial assumptions.

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

NOTE 11: FUNDING POLICY

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. Pension funding is actuarially determined and includes normal cost and the amortization of past service costs. The Company has made contributions in amounts not less than those necessary to comply with the minimum funding standards of ERISA as set forth in the actuary's report. The actuary's report indicated that Company contributions of \$50,577 and \$62,508 were required in 2015 and 2014 to meet the minimum funding standards of ERISA.

THE HARTLEY COMPANY
PENSION PLAN AND TRUST

FORM 5500, SCHEDULE H, PART IV, LINE 4i,
SCHEDULE OF ASSETS HELD FOR INVESTMENT
PURPOSES AT END OF YEAR
AS OF DECEMBER 31, 2015

EIN: 31-4201640
Plan Number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
	Peoples Bank Special Money Market	Money Market	\$ 7	\$ 7
	Fidelity Instl Govt Port Class I	Money Market	61,829	61,830
	Federated Inv Prime OBL Fund	Money Market	2,050	2,050
	Principal Short Term Income Fund	Mutual Fund	104,549	103,231
	Ridgeworth Floating Rate CL	Mutual Fund	66,362	60,919
	Vanguard Short Term Invt Grade CL Fund	Mutual Fund	155,065	151,673
	Fidelity Advisor Total Bond Fund	Mutual Fund	126,777	121,071
	Vanguard High Yield Corporate Fund	Mutual Fund	31,409	30,614
	Metropolitan West Total Return	Mutual Fund	142,270	139,515
	T. Rowe Price Capital Appreciation Fund	Mutual Fund	49,204	50,180
	Vanguard 500 Index Signal Fund	Mutual Fund	208,274	290,947
	Vanguard Growth Index	Mutual Fund	93,005	99,588
	T. Rowe Price Value Fund	Mutual Fund	36,357	32,708
	Vanguard Equity Income Adm Fund	Mutual Fund	25,369	25,822
	Principal Mid Cap Instl Fund	Mutual Fund	63,839	79,620
	Fidelity Mid-Cap Value Fund	Mutual Fund	75,206	66,699
	Victory Integrity Small-Cap	Mutual Fund	43,057	49,709
	Dodge & Cox International Stock Fund	Mutual Fund	50,654	48,436
	Ivy Int'l Core Equity Cl Y Fund	Mutual Fund	28,328	24,514
	MFS International Value Fund	Mutual Fund	44,382	49,366
	Vanguard Energy Adm Cl Fund	Mutual Fund	25,164	16,346
		TOTAL	<u>\$ 1,433,157</u>	<u>\$ 1,504,843</u>

* - Party-in-interest

Note: This schedule is based on information which has been certified as complete and accurate by Peoples Bank & First Merit, the custodians of the Plan

See accompanying independent auditor's report.

Schedule SB, line 26 - Schedule of Active Participant Data

YEARS OF CREDITED SERVICE

Attained Age	Under 1		1 To 4		5 To 9		10 To 14		15 To 19		20 To 24		25 To 29		30 To 34		35 To 39		40 & Up	
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp
Under 25	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	3	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	3	0	2	0	1	0	1	0	0	0	0	0	0	0	0	0
45 to 49	0	0	2	0	4	0	1	0	0	0	6	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	3	0	0	0	1	0	1	0	1	0	1	0	0	0	0	0
55 to 59	0	0	0	0	4	0	2	0	2	0	1	0	3	0	1	0	2	0	0	0
60 to 64	0	0	0	0	0	0	1	0	1	0	0	0	1	0	0	0	0	0	1	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Up	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Name of plan: The Hartley Company Pension Plan and Trust
Plan sponsor's name: The Hartley Company

Plan number: 001
EIN: 31-4201640

Schedule SB, Part V - Statement of Actuarial Assumptions

Target Assumptions:

Male Nonannuitant: 2015 Nonannuitant Male
 Female Nonannuitant: 2015 Nonannuitant Female
 Male Annuitant: 2015 Annuitant Male
 Female Annuitant: 2015 Annuitant Female

Applicable months from valuation month: 4
 Probability of lump sum: 1.00%
 Use pre-retirement mortality: Yes

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>
Segment rates:	1.15	4.06	5.15
High Quality Bond rates:	N/A	N/A	N/A
Final rates:	4.72	6.11	6.81
Override:	0.00	0.00	0.00

Salary Scale

Male: 5.00%
 Female: 5.00%

Withdrawal

Male: N/A
 Female: N/A

Withdrawal-Select

Male: N/A
 Female: N/A

Early Retirement Rates

Male: 60-25 %
 Female: 60-25 %

Subsidized Early Retirement Rates

Male: N/A
 Female: N/A

Options:

Use optional combined mortality table for small plans: Yes
 Use discount rate transition: No
 Lump sums use proposed regulations: Yes

Actuarial Equivalent Floor

Stability period: plan year
 Lookback months: 1
 Nonannuitant: 2015 Applicable
 Annuitant: 2015 Applicable

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>
Current:	1.48	3.77	4.79
Override:	0.00	0.00	0.00

Late Retirement Rates

Male: 60-25 %
 Female: 60-25 %

Marriage Probability

Male: 100.00%
 Female: 100.00%
 Expense loading: 0.00%

Setback

3

Disability Rates

Male: N/A
 Female: N/A

Mortality

Male: N/A
 Female: N/A

Setback

0
 0

Name of Plan: The Hartley Company Pension Plan at
 Plan Sponsor's EIN: 31-4201640
 Plan Number: 001

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 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

► **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 The Hartley Company Pension Plan and Trust	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Hartley Company	D Employer Identification Number (EIN) 31-4201640	
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>2015</u>			
2 Assets:			
a Market value.....	2a	1,806,360	
b Actuarial value.....	2b	1,764,172	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	2	265,355	265,355
b For terminated vested participants.....	76	302,769	302,769
c For active participants.....	68	1,281,965	1,283,080
d Total.....	146	1,850,089	1,851,204
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		6.36%
6 Target normal cost.....	6		40

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	 Signature of actuary	<u>10/03/2016</u> Date
	Andrew Behnke, MSPA, MAAA Type or print name of actuary	<u>1407643</u> Most recent enrollment number
	Midwest Pension Actuaries, Inc. Firm name	<u>248-539-5000</u> Telephone number (including area code)
	30680 Twelve Mile Road Farmington Hills MI 48334 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 ☐

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	62
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	62
10 Interest on line 9 using prior year's actual return of <u>6.63</u> %	0	4
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		726
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.15</u> %		45
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		771
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	66

Part III Funding Percentages

14 Funding target attainment percentage	14	95.29%
15 Adjusted funding target attainment percentage	15	91.29%
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	88.93%
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
07/20/2015	13,191	0			
10/13/2015	23,265	0			
01/15/2016	20,687	0			
Totals ▶			18(b)	57,143	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	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	54,092

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No
- c** If line 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: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 65
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 subject to 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	40
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		87,098	50,537
b Waiver amortization installment			
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	50,577
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)	36		50,577
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37		54,092
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	3,515
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 an election was made to use PRA 2010 funding relief for this plan:			
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 SB, line 19 - Discounted Employer Contributions

Interest Rates for Contribution Year End Date: 12/31/2015

Effective: 6.36%

Late Quarterly: 11.36%

<u>Effective Date</u>	<u>Amount</u>	<u>Effective Interest</u>	<u>Quarterly Interest</u>	<u>Discounted</u>
07/20/2015	\$13,191	-438	-133	\$12,620
10/13/2015	\$23,265	-1,094	-103	\$22,068
01/15/2016	\$20,687	-1,283	0	\$19,404
	<u>\$57,143</u>			<u>\$54,092</u>

Name of Plan: The Hartley Company Pension Plan ar
Plan Sponsor's EIN: 31-4201640
Plan Number: 001
Plan Sponsor's Name: The Hartley Company

Schedule SB, Part V - Summary of Plan Provisions

Eligibility Requirements

Age (yrs) : 99
 Age (months) : 0
 Wait (months) : 12
 Two year eligibility : No

Service/Participation Requirements

Definition of years: Hours worked
 Continuing hours: 1,000
 Excluded classes: Union Members

Earnings

Total compensation excluding : 415 prior to participation

<u>Retirement</u>	<u>Normal</u>	<u>Early</u>	<u>Subsidized Early</u>	<u>Disability</u>	<u>Death</u>
Age:	65	60			
Service:	0	5			
Participation:	5	0			
Defined:	1st of month following	1st of month following			

Benefit Reduction / Mortality table & setback

Male:	Early Retirement Reduction	Actuarial Equivalence	N/A	0
Female:	Early Retirement Reduction	Actuarial Equivalence	N/A	0

Rates - Male:	60-25 %	N/A	N/A
Rates - Female:	60-25 %	N/A	N/A

Use Social Security Retirement Age:	No	REACT Benefits Percentage:	50.00%
Vesting Schedule:	5 Year Cliff	Pre-retirement death benefit	
Vesting Definition:	Hours Worked	Percentage of accrued benefit:	50.00%
		Death Benefit Payment method:	PVAB

	<u>Annuity</u>	<u>Percent</u>	<u>Years</u>
Normal:	Life and certain	0.00%	10
QJSA:	Joint and contingent	50.00%	0

Significant Changes in Plan Provisions Since Last Valuation

Name of Plan: The Hartley Company Pension Plan and Trust
Plan Sponsor's EIN: 31-4201640
Plan Number: 001
Plan Sponsor's Name: The Hartley Company

Schedule SB, Part V - Summary of Plan Provisions

Benefits

Pension Formula: Benefit formula
 Type of Formula: Unit benefit integrated
 Effective Date: 01/01/1980

<u>Formula</u>	<u>% per Unit</u>	<u>Maximum Total %</u>	<u>Simplified table limit</u>	<u>Adjust %</u>
Base:	0.60%	21.00%		No
Excess:	0.60%	21.00%	No	No

<u>Maximum Credits</u>	<u>Past years</u>	<u>Future years</u>	<u>Total years</u>
Base:	38	32	35
Excess:	38	32	35
Units based on:	Accrual		

Integration level

Covered compensation table: Dynamic
 Rounding: Exact
 Uniform dollar amount: None

Averaging

Projection method:	Accrued Benefit Average	Apply exclusion to accrued benefit:	No
Based on:	Final Average	Annualize short compensation years:	No
Highest:	5	Annualize short plan years:	No
In the last:	10	Include compensations based on years of:	Accrual
Excluding:	0		

Accrual

Frozen: Yes
 Definition of years: Hours worked
 Fractions based on: N/A

Accrual credit:	<u>Continuing</u>	<u>Died</u>	<u>Disabled</u>	<u>Retired</u>	<u>Terminated</u>	Precision:	N/A
	1000	1000	1000	1000	1000	Limit current credit to:	N/A

Years based on:	Service	Cap/floor years:	0
Maximum past accrual years:	0.0000	Cap or floor:	Floor
Method:	Fractional	Accrual % per year:	0.00%
		Apply 415 before accrual:	No

Name of Plan: The Hartley Company Pension Plan and Trust
 Plan Sponsor's EIN: 31-4201640
 Plan Number: 001
 Plan Sponsor's Name: The Hartley Company

THE HARTLEY COMPANY
PENSION PLAN AND TRUST

FORM 5500, SCHEDULE H, PART IV, LINE 4i,
SCHEDULE OF ASSETS HELD FOR INVESTMENT
PURPOSES AT END OF YEAR
AS OF DECEMBER 31, 2015

EIN: 31-4201640
Plan Number: 001

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value	
Peoples Bank Special Money Market	Money Market	\$ 7	\$ 7	
Fidelity Instl Govt Port Class I	Money Market	61,829	61,830	
Federated Inv Prime OBL Fund	Money Market	2,050	2,050	
Principal Short Term Income Fund	Mutual Fund	104,549	103,231	
Ridgeworth Floating Rate CL	Mutual Fund	66,362	60,919	
Vanguard Short Term Invt Grade CL Fund	Mutual Fund	155,065	151,673	
Fidelity Advisor Total Bond Fund	Mutual Fund	126,777	121,071	
Vanguard High Yield Corporate Fund	Mutual Fund	31,409	30,614	
Metropolitan West Total Return	Mutual Fund	142,270	139,515	
T. Rowe Price Capital Appreciation Fund	Mutual Fund	49,204	50,180	
Vanguard 500 Index Signal Fund	Mutual Fund	208,274	290,947	
Vanguard Growth Index	Mutual Fund	93,005	99,588	
T. Rowe Price Value Fund	Mutual Fund	36,357	32,708	
Vanguard Equity Income Adm Fund	Mutual Fund	25,369	25,822	
Principal Mid Cap Instl Fund	Mutual Fund	63,839	79,620	
Fidelity Mid-Cap Value Fund	Mutual Fund	75,206	66,699	
Victory Integrity Small-Cap	Mutual Fund	43,057	49,709	
Dodge & Cox International Stock Fund	Mutual Fund	50,654	48,436	
Ivy Int'l Core Equity Cl Y Fund	Mutual Fund	28,328	24,514	
MFS International Value Fund	Mutual Fund	44,382	49,366	
Vanguard Energy Adm Cl Fund	Mutual Fund	25,164	16,346	
	TOTAL	<u>\$ 1,433,157</u>	<u>\$ 1,504,843</u>	

* - Party-in-interest

Note: This schedule is based on information which has been certified as complete and accurate by Peoples Bank & First Merit, the custodians of the Plan

See accompanying independent auditor's report.

The Hartley Company
The Hartley Company Pension Plan and Trust
Amortization Bases for Pension Protection Act Report
Valuation as of 01/01/2015 for the Plan Year Ending 12/31/2015

Pension Protection Act

<u>Type of Base</u>	<u>Effective Date</u>	<u>Interest Rate</u>	<u>Initial Amount</u>	<u>Initial Amort</u>	<u>Current Balance</u>	<u>Rem Amort</u>	<u>Payment</u>
Shortfall	01/01/2010	4.72 / 0.00	137,895	7.00	45,368	2.00	23,207
Shortfall	01/01/2011	4.72 / 0.00	299,559	7.00	141,294	3.00	49,286
Shortfall	01/01/2012	4.72 / 0.00	-76,487	7.00	-48,522	4.00	-12,982
Shortfall	01/01/2013	4.72 / 6.11	-40,441	7.00	-30,837	5.00	-6,749
Shortfall	01/01/2014	4.72 / 6.11	58,235	7.00	51,776	6.00	9,746
Shortfall	01/01/2015	4.72 / 6.11	-71,981	7.00	-71,981	7.00	-11,971
Totals	Shortfall				87,098		50,537