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 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

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [ ] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KAY MANUFACTURING CO. PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1979

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)
KAY MANUFACTURING CO.

602 STATE STREET
CALUMET CITY, IL 60409

2b Employer Identification Number (EIN) 36-2643474

2c Plan Sponsor's telephone number 708-862-6800

2d Business code (see instructions) 332900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/26/2017	SCOTT DEKKER
	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

KAY MANUFACTURING CO.

602 STATE STREET
CALUMET CITY, IL 60409

3b Administrator's EIN: 36-2643474

3c Administrator's telephone number: 708-862-6800

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**	114
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)**	25
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	23
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	86
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	111
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	111
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
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 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** ☒ **R** (Retirement Plan Information)
- **(2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ 0 **A** (Insurance Information)
- **(4)** ☒ **C** (Service Provider Information)
- **(5)** ☐ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	2869041
b Actuarial value	**2b**	2869041

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	98985	98985
b For terminated vested participants	85	1454129	1454129
c For active participants	24	1466072	1486409
d Total	111	3019186	3039523

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**	5.95 %
6 Target normal cost	**6**	34896

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

07/05/2017
Date

ROBERT P. MARKS
Type or print name of actuary

17-03346
Most recent enrollment number

MADISON PENSION SERVICES, INC.
Firm name

914-251-0099
Telephone number (including area code)

2500 WESTCHESTER AVE SUITE 106
PURCHASE, NY 10577
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	220549
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	220549
10	Interest on line 9 using prior year's actual return of -3.79%	0	-8359
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		53207
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 6.07%		3230
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		56437
d	Portion of (c) to be added to prefunding balance		56437
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	268627

Part III Funding Percentages

14	Funding target attainment percentage	14	85.55%
15	Adjusted funding target attainment percentage	15	85.55%
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	95.37%
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
04/15/2016	45000	0			
07/14/2016	45000	0			
10/12/2016	45000	0			
01/13/2017	45000	0			
			Totals ► 18(b)	180000	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	173290

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
4.43%	5.91%	6.65%	☐ 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**	34896
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	439109	134151
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	169047

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	169047
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	173290
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	4243
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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

O'NEILL AND GASPARDO LLC

36-2646009

(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?
		13475	Yes ☐ No ☒	Yes ☐ No ☒	0	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 ☐

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

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	0	3846
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	85000	45000
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	192616	324365
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	912690	935445
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1678927	1716079
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	2869233	3024735
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h	0	0
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2869233	3024735

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)	180000	
	(B) Participants	2a(1)(B)	0	
	(C) Others (including rollovers)	2a(1)(C)	0	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		180000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	192	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	0	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		192
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	23018	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	53304	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		76322
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	2839997	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	2853175	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-13178
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	51148	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		51148

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		294484
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	69592	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		69592
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	69390	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		69390
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		138982
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		155502
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: O'NEILL & GASPARDO, LLC **(2)** EIN: 36-2646009

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n			
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

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
	999-999-9999

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 sections 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

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAY MANUFACTURING CO.

D Employer Identification Number (EIN)
36-2643474

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

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

EIN(s): _____ _____

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** 2

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

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

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

KAY MANUFACTURING COMPANY
PENSION PLAN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1 - 2
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Statement of Accumulated Plan Benefits	5
Statement of Changes in Accumulated Plan Benefits	6
Notes to Financial Statements	7 - 14
SUPPLEMENTAL INFORMATION	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	15 - 16
Schedule H, Line 4j - Schedule of Reportable Transactions	17

O'NEILL & GASPARDO, LLC
Consultants and Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
KAY MANUFACTURING COMPANY PENSION PLAN

We have audited the accompanying financial statements of **KAY MANUFACTURING COMPANY PENSION PLAN**, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of January 1, 2016, the related 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the **KAY MANUFACTURING COMPANY PENSION PLAN'S** net assets available for benefits as of December 31, 2016, and changes therein for the year then ended and its financial status as of January 1, 2016, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Neill & Gaspardo, LLC

O'NEILL & GASPARDO, LLC
Mokena, Illinois
July 7, 2017

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Non-Interest-Bearing Cash	$ 3,846	$ 4,605
Investments, at Fair Value:		
Interest-Bearing Cash	324,365	188,011
Common Stocks	935,445	912,690
Mutual Funds	1,716,079	1,678,927
Total Investments	2,975,889	2,779,628
Employer's Contribution Receivable	45,000	85,000
TOTAL ASSETS	3,024,735	2,869,233
LIABILITIES		
TOTAL LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,024,735	$ 2,869,233

See accompanying notes and auditor's report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Additions to Net Assets:		
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	$ 37,970	$ (161,660)
Interest and Dividends	76,514	69,553
Other Income	-	12
Total Investment Income	114,484	(92,095)
Employer Contributions	180,000	180,000
Total Additions	294,484	87,905
Deductions from Net Assets:		
Benefits Paid to Participants	69,592	333,456
Administrative and Other Expenses	69,390	59,334
Total Deductions	138,982	392,790
Net Increase (Decrease) in Net Assets	155,502	(304,885)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	2,869,233	3,174,118
End of Year	$ 3,024,735	$ 2,869,233

See accompanying notes and auditor's report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2016

Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits	$ 3,715,104
Nonvested Benefits	33,232
Total Actuarial Present Value of Accumulated Plan Benefits	$ 3,748,336

See accompanying notes and auditor's report.

KAY MANUFACTURING COMPANY PENSION PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
YEAR ENDED JANUARY 1, 2016

Actuarial Present Value of Accumulated Plan Benefits at January 1, 2015	$ 4,010,616
Increase (Decrease) During the Year Attributable to:	
Increase in Interest Due to the Decrease in the Discount Period	183,000
Benefits Paid to Participants	(333,456)
Change in Actuarial Assumptions	(111,824)
Net Decrease	(262,280)
Actuarial Present Value of Accumulated Plan Benefits at January 1, 2016	$ 3,748,336

See accompanying notes and auditor's report.

NOTE 1. DESCRIPTION OF THE PLAN

The following description provides only general information on the provisions of **KAY MANUFACTURING COMPANY PENSION PLAN** (the "Plan"). Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory, defined benefit pension plan established by **Kay Manufacturing Company** (the "Company") on January 1, 1979 for all of the Company's eligible employees, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Amendments

Effective July 1, 2011, the Plan was amended and restated to meet the requirements of the Internal Revenue Code.

Eligibility and Participation

All nonunion employees of the Company who have attained age 21 and completed one year of service are eligible to participate in the Plan. If the eligibility requirements are met in the first six months of the plan year, the employee shall become a participant effective at the beginning of that plan year. If the eligibility requirements are met in the last six months of the plan year, the employee will become a participant effective as of the first day of the succeeding plan year.

On May 19, 2007, the Plan was amended and restated to freeze the participation in the Plan and to freeze any future benefit accruals.

Funding Policy

The Plan is funded annually by the Company based on actuarial determinations. These contributions are at least equal to the minimum funding standards required by ERISA. The Plan met its minimum funding requirements in 2016.

Pension Benefits

The amount of monthly retirement benefit to be provided for each participant who retires on the participant's normal retirement date shall be equal to the participant's accrued benefit. A participant's accrued benefit is based on the sum of the participant's frozen accrued benefit as of December 31, 1993 plus a retirement benefit formula equal to 0.65% of such participant's average monthly compensation (including amounts in excess of the Social Security wage base) multiplied by the participant's total number of years of service (up to a maximum of 35 years), computed to the nearest dollar. The Plan also contains provisions for early retirement at age 62.

NOTE 1. DESCRIPTION OF THE PLAN - Continued

Married participants will receive their benefit in the form of a joint and survivor annuity, and single participants will receive their pension benefit in the form of a single-life annuity unless another form of payment is elected.

Death and Disability Benefits

Upon death prior to retirement date, the participant's beneficiary shall receive a death benefit equal to the actuarial equivalent of the accrued benefit determined as of the anniversary date subsequent to or coinciding with the date of death.

Active employees who become totally disabled receive annual payments that are equal to the normal retirement benefits they have accumulated as of the time they became disabled.

Vesting

A participant's accrued benefit is valued annually, and the participant is vested according to the following schedule:

Years of Service	Percentage
Less than 3	0%
3 but less than 4	20%
4 but less than 5	40%
5 but less than 6	60%
6 but less than 7	80%
7 or more	100%

Participants also become fully vested upon plan termination, reaching their normal retirement age or upon date of death or disability.

Administrative Expenses

Certain expenses incurred in the administration of the Plan are paid directly by the Company.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Investment Valuation and Income Recognition

The Plan's investments are valued by First National Bank and US Bank, the custodians, based on quoted market prices. Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of employees who have died; and (c) present employees or their beneficiaries. Benefits under the Plan are based on an employee's highest consecutive five-year average of compensation. Benefits payable under all circumstances - retirement, death, disability and termination of employment are included to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Madison Pension Services, Inc. and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of January 1, 2016 were (a) life expectancy of participants based on the 2016 applicable mortality table; (b) an assumed retirement age of 65 with the completion of five years of participation; and (c) an assumed rate of return on investments of 1.76% to 5.13% (a rate of 1.40% to 4.96% was used for the year ended January 1, 2015). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payments of Benefits

Benefits are recorded when paid.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of additions to and deductions from net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 3. FAIR VALUE MEASUREMENTS

VALUATION OF INVESTMENTS - FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes 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 under FASB ASC 820 are described as follows:

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

LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Money Markets, Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily new asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future 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 fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 3. FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2016 and 2015, respectively:

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 324,365	$ -	$ -	$ 324,365
Common Stocks	935,445	-	-	935,445
Mutual Funds	1,716,079	-	-	1,716,079
Total	$2,975,889	$ -	$ -	$2,975,889

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Interest-Bearing Cash	$ 188,011	$ -	$ -	$ 188,011
Common Stocks	912,690	-	-	912,690
Mutual Funds	1,678,927	-	-	1,678,927
Total	$2,779,628	$ -	$ -	$2,779,628

NOTE 4. INVESTMENTS

During 2016 and 2015, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2016	2015
Common Stocks	$ (126,697)	$ (63,135)
Mutual Funds	164,667	(98,525)
Total	$ 37,970	$ (161,660)

NOTE 5. PARTY-IN-INTEREST TRANSACTIONS

The Plan has given discretionary authority to Brown Advisory to manage its investment assets. Certain Plan investments are shares of mutual funds managed by Brown Advisory and therefore, these transactions qualify as party-in-interest transactions. Fees paid to Brown Advisory during 2016 and 2015 totaled $21,810 and $23,445, respectively.

NOTE 6. PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will generally be allocated, as prescribed by ERISA and its related regulations, to provide the following benefits in the order indicated:

1. Benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan.

2. Costs for former employees or their beneficiaries who have been receiving benefits or who have been eligible to receive normal retirement benefits for less than three years.

3. Costs for former employees or their beneficiaries who were eligible to receive early retirement benefits as of the date of Plan termination.

4. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed elsewhere.

5. All other vested benefits (that is, vested benefits not insured by the PBGC).

6. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits and certain disability and survivor's benefits. However, the amount of benefit protection from the PBGC is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For some annuitants, or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 7. INCOME TAX STATUS

The Plan obtained its latest determination letter on March 31, 2010, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted recently issued accounting principles related to uncertain tax positions and has evaluated its tax positions taken from all open tax years. Currently, the 2013, 2014 and 2015 tax years are open and subject to examination by the Internal Revenue Service and Department of Labor.

Based on evaluation of the Plan's tax positions, the Plan administrator believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2016 and 2015.

NOTE 8. RISKS AND UNCERTAINTIES

As of December 31, 2016 and 2015, cash in the amounts of $189,056 and $156,481, respectively, were held by US Bank, which is a private bank subject to state regulation but not covered by Federal Deposit Insurance Corporation (FDIC) deposit insurance. However, since US Bank is a member of the Securities Investor Protection Corporation (SIPC), $100,000 of the Plan's cash and $500,000 of the Plan's total assets held at US Bank are covered by SIPC insurance.

Substantially all of the Plan's remaining cash and cash equivalents are held in bank deposit and money market accounts. There were no amounts in excess of the FDIC limits at December 31, 2016 and 2015. The Plan has not experienced any losses in its cash and cash equivalents, and the Plan's administrator believes that the Plan is not exposed to any significant credit risk on cash and cash equivalents.

The Plan's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 9. SCHEDULES REQUIRED BY DEPARTMENT OF LABOR FOR FORM 5500

The Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible has been excluded from the supplemental information. For the years ended December 31, 2016 and 2015, the Plan did not have any loans or fixed income obligations that were in default or classified as uncollectible.

NOTE 10. CHANGE IN ACCOUNTING PRINCIPLE

The Plan has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2015-12, *Plan Accounting: Defined Contribution Pension Plans.* Therefore the financial statements have been updated to reflect these standards. This new standard requires certain investments to be valued at contract value and eliminates certain disclosures. This change had no effect on the Change in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015 or on the Net Assets Available for Benefits at December 31, 2016 and 2015.

NOTE 11. SUBSEQUENT EVENTS

On June 14, 2017, the Plan sponsor adopted a plan of termination with an effective date of August 31, 2017. Further information can be obtained from the Plan Administrator.

The Plan has evaluated events subsequent to December 31, 2016 for possible adjustment or disclosure to the accompanying financial statements. The evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2016

E.I.N. 36-2643474 PLAN NUMBER 002

(a)	Identity of Issuer, Borrower, Lessor or Similar Party (b)	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value (c)	Cost of Asset (d)	Current Value (e)
	Interest-Bearing Cash	0.18% - 0.19%	$ 324,365	$ 324,365
	Non-Interest-Bearing Cash	0.00%	3,846	3,846
	Common Stocks			
	3M Co.	66 shares	11,335	11,786
	Abbvie Inc.	390 shares	24,000	24,422
	Accenture Plc. Cl A	80 shares	9,469	9,370
	AIA Group Ltd. ADR	404 shares	9,478	9,078
	Altria Group Inc.	149 shares	9,549	10,075
	Ameriprise Finl Inc.	182 shares	20,946	20,191
	Apple Inc.	233 shares	25,574	26,986
	Automatic Data Processing	129 shares	12,367	13,259
	Best Buy Co Inc.	365 shares	17,104	15,575
	Cisco Systems Inc.	1,228 shares	36,005	37,110
	Coca Cola Company	327 shares	13,234	13,557
	Cogent Communications Holding	456 shares	17,044	18,856
	Facebook Inc.	97 shares	11,355	11,160
	General Electric Co.	1,370 shares	42,758	43,292
	Green Plains Partners LP	1,887 shares	35,784	37,363
	J.P Morgan Chase Co.	251 shares	21,016	21,659
	Johnson Johnson	203 shares	22,746	23,388
	Kinder Morgan Inc.	448 shares	9,484	9,278
	Marriott Intl. Inc.	139 shares	11,390	11,493
	McDonalds Corp.	103 shares	12,264	12,537
	Merck and Co Inc.	316 shares	19,029	18,603
	MFA Financial Inc.	7,002 shares	54,160	53,425
	Microchip Technology Inc.	165 shares	10,466	10,585
	Microsoft Corp.	900 shares	54,026	55,926
	Nielsen Holdings Plc.	382 shares	16,204	16,025
	Northstar Asset Management	773 shares	11,475	11,533
	Northstar Realty Finance	2,454 shares	37,335	37,178
	Novartis AG	303 shares	20,898	22,071
	Occidental Petroleum	455 shares	32,073	32,410
	Oritani Finl Corp.	3,045 shares	54,309	57,094
	Philip Morris Intl.	548 shares	48,190	50,137
	Qualcomm Inc.	340 shares	22,916	22,168
	Star Gas Partners	958 shares	9,509	10,308
	Suncor Energy Inc.	410 shares	13,304	13,403
	T Rowe Price Group Inc.	427 shares	32,478	32,136
	Taiwan Semiconductor ADR	1,373 shares	40,558	39,474
	Target Corp.	123 shares	9,443	8,884

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2016

E.I.N. 36-2643474 PLAN NUMBER 002

(a)	Identity of Issuer, Borrower, Lessor or Similar Party (b)	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value (c)	Cost of Asset (d)	Current Value (e)
	Unilever NVADR	238 shares	9,475	9,772
	Wells Fargo & Company	611 shares	33,928	33,672
	Wp Carey Inc.	342 shares	19,938	20,206
	Total Common Stocks		922,616	935,445
	Mutual Funds			
	Akre Focus Fund	8,406.894 shares	200,000	213,535
	Artisan High Income Advisor	10,990.429 shares	101,332	108,366
	Artisan International Value Advisor	6,138.735 shares	200,000	198,956
	Metropolitan West Tr Bond	43,322.647 shares	471,500	456,187
	Coho Rel Value Equity Inv	23,529.412 shares	288,000	297,882
*	Brown Advisory Strategic Bond Inv.	46,290.883 shares	439,000	441,153
	Total Mutual Funds		1,699,832	1,716,079
	TOTAL ASSETS HELD AT END OF YEAR		$ 2,950,659	$ 2,979,735

* Represents a party-in-interest

See accompanying auditor's report.

KAY MANUFACTURING COMPANY PENSION PLAN

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2016

E.I.N. 36-2643474 PLAN NUMBER 002

Identity of Party Involved (a)	Description of Asset (Including Interest Rate and Maturity in Case of Loan) (b)	Purchase Price (c)	Selling Price (d)	Expense Incurred With Transaction (f)	Cost of Asset (g)	Current Value of Asset on Transaction Date (h)	Net Gain/ (Loss) (i)
Brown Advisory	Coho Rel Value Equity Inc	$ 288,000	$ -	$ -	$ 288,000	$ 288,000	$ -
Brown Advisory	Brown Adv Strategic Bond Inv.	141,500	-	-	141,500	141,500	-
Brown Advisory	Metropolitan West Tr Bond I	141,500	-	-	141,500	141,500	-
Brown Advisory	Artisan International Value Advisor	200,000	-	-	200,000	200,000	-
Brown Advisory	Artisan High Income Advisor	220,000	-	-	220,000	220,000	-
Brown Advisory	Brown Adv Strategic Bond Inv	325,000	-	-	325,000	325,000	-
Brown Advisory	Metropolitan West Tr Bond I	350,000	-	-	350,000	350,000	-
Brown Advisory	Brown Advisory Growth Equity Inv	-	173,604	-	184,689	173,604	(11,085)
Brown Advisory	Brown Adv Start EUR Eq Ins	-	288,143	-	298,851	288,143	(10,708)
Brown Advisory	Artisan High Income Advisor	-	200,000	-	196,168	200,000	3,832
Brown Advisory	Artisan High Income Advisor	-	228,462	-	220,560	228,462	7,902
Brown Advisory	Brown Adv Strategic Bond Inv	-	326,027	-	325,000	326,027	1,027
Brown Advisory	Metropolitan West Tr Bond I	-	341,370	-	350,000	341,370	(8,630)

See accompanying auditor's report.

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2016

E.I.N. 36-2643474 PLAN NUMBER 002

(a)	Identity of Issuer, Borrower, Lessor or Similar Party (b)	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value (c)	Cost of Asset (d)	Current Value (e)
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	Non-Interest-Bearing Cash	0.00%	3,846	3,846
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	Taiwan Semiconductor ADR	1,373 shares	40,558	39,474
	Target Corp.	123 shares	9,443	8,884

KAY MANUFACTURING COMPANY PENSION PLAN

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

DECEMBER 31, 2016

E.I.N. 36-2643474 PLAN NUMBER 002

(a)	Identity of Issuer, Borrower, Lessor or Similar Party (b)	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value (c)	Cost of Asset (d)	Current Value (e)
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	Wp Carey Inc.	342 shares	19,938	20,206
	Total Common Stocks		922,616	935,445
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*	Brown Advisory Strategic Bond Inv.	46,290.883 shares	439,000	441,153
	Total Mutual Funds		1,699,832	1,716,079
	TOTAL ASSETS HELD AT END OF YEAR		$ 2,950,659	$ 2,979,735

* Represents a party-in-interest

See accompanying auditor's report.

KAY MANUFACTURING COMPANY PENSION PLAN

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2016

E.I.N. 36-2643474 PLAN NUMBER 002

Identity of Party Involved (a)	Description of Asset (Including Interest Rate and Maturity in Case of Loan) (b)	Purchase Price (c)	Selling Price (d)	Expense Incurred With Transaction (f)	Cost of Asset (g)	Current Value of Asset on Transaction Date (h)	Net Gain/ (Loss) (i)
Brown Advisory	Coho Rel Value Equity Inc	$ 288,000	$ -	$ -	$ 288,000	$ 288,000	$ -
Brown Advisory	Brown Adv Strategic Bond Inv.	141,500	-	-	141,500	141,500	-
Brown Advisory	Metropolitan West Tr Bond I	141,500	-	-	141,500	141,500	-
Brown Advisory	Artisan International Value Advisor	200,000	-	-	200,000	200,000	-
Brown Advisory	Artisan High Income Advisor	220,000	-	-	220,000	220,000	-
Brown Advisory	Brown Adv Strategic Bond Inv	325,000	-	-	325,000	325,000	-
Brown Advisory	Metropolitan West Tr Bond I	350,000	-	-	350,000	350,000	-
Brown Advisory	Brown Advisory Growth Equity Inv	-	173,604	-	184,689	173,604	(11,085)
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Brown Advisory	Metropolitan West Tr Bond I	-	341,370	-	350,000	341,370	(8,630)

See accompanying auditor's report.

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 1/1/2016 and ending 12/31/2016

▶ **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: KAY MANUFACTURING CO. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: KAY MANUFACTURING CO.

D Employer Identification Number (EIN): 36-2643474

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: 1/1/2016			
2	Assets:			
	a Market value	2a		2869041
	b Actuarial value	2b		2869041
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	98985	98985
	b For terminated vested participants	85	1454129	1454129
	c For active participants	24	1466072	1486409
	d Total	111	3019186	3039523
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		5.95 %
6	Target normal cost	6		34896

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 RPM

Signature of actuary — Date: 7/5/2017

ROBERT P. MARKS — Type or print name of actuary

1703346 — Most recent enrollment number

MADISON PENSION SERVICES, INC. — Firm name

914-251-0099 — Telephone number (including area code)

2500 WESTCHESTER AVE SUITE 106

PURCHASE NY 10577 — 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	220549
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	220549
10 Interest on line 9 using prior year's actual return of -3.79 %	0	-8359
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		53207
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 6.07 %		3230
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		56437
d Portion of (c) to be added to prefunding balance		56437
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	268627

Part III Funding Percentages

14 Funding target attainment percentage	14	85.55 %
15 Adjusted funding target attainment percentage	15	85.55 %
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	95.37 %
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
4/15/2016	45000	0			
7/14/2016	45000	0			
10/12/2016	45000	0			
1/13/2017	45000	0			
			Totals ► 18(b)	180000	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	173290

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:	2nd segment:	3rd segment:	
4.43 %	5.91 %	6.65 %	☐ 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: 34896

b Excess assets, if applicable, but not greater than line 31a — 31b: 0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	439109	134151
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval ( ) and the waived amount — 33:

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) — 34: 169047

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35) — 36: 169047

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) — 37: 173290

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36) — 38a: 4243

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:

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 19 - Discounted Employer Contributions
Plan Number: 002

Date	Amount	Plan Year	Effective Rate of Interest	Discounted Amount
04/15/2016	45000.00	2016	5.95%	44258.00
07/14/2016	45000.00	2016	5.95%	43632.00
10/12/2016	45000.00	2016	5.95%	43014.00
01/13/2017	45000.00	2016	5.95%	42386.00
Total for Minimum Required Contribution	180000.00			173290.00

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
Plan Number: 002

Normal Retirement Benefit

Actuarial Cost Method: PPA06 Funding Rules

IRC430 Funding Yield Curve Segmented Rates

First Segment:	4.43%
Second Segment:	5.91%
Third Segment:	6.65%

IRC404 Funding Yield Curve Segmented Rates

First Segment:	1.34%
Second Segment:	4.03%
Third Segment:	5.06%

PBGC Segmented Rates

First Segment:	1.82%
Second Segment:	4.12%
Third Segment:	5.01%

Pre-Retirement Valuation Assumptions

Mortality Table	2016 430(h)(3)(A)-Optional combined

Retirement Valuation Assumptions

Mortality Table	2016 430(h)(3)(A)-Optional combined

IRC417(e)(3) Interest Assumption

Segment Rate	same as Funding Yield Curve Segmented Rates

IRC417(e)(3) Pre-retirement Mortality

Mortality Table	2016 417(e)(3) Applicable Mortality Table

IRC417(e)(3) Retirement Mortality

Mortality Table	2016 417(e)(3) Applicable Mortality Table

Optional Forms Assumption

0% of participants will elect the Plan Normal Form

100% of participants will elect a Lump Sum (single payment)

0% of participants will elect a 50% Joint & Contingent annuity

Pre-Retirement Death Benefit

Liability funded on a reserve basis with Normal Retirement Benefit

Mortality Table	2016 430(h)(3)(A)-Optional combined

Retirement Incidence

Participants are assumed to retire on the Normal Retirement Date

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Statement of Actuarial Assumptions/Methods
Plan Number: 002

Pre-Retirement Actuarial Equivalence Assumptions

Investment Earnings	6% Effective annual rate
Mortality Table	1994 GAR PROJ 2002

Retirement Actuarial Equivalence Assumptions

Investment Earnings	6% Effective annual rate
Mortality Table	1994 GAR PROJ 2002

Assumptions for IRC415 Maximum Benefit Actuarial Adjustments

Investment Earnings	5% Effective annual rate
Mortality Table	2016 417(e)(3) Applicable Mortality Table

Retirement Protection Act of 1994 Interest Rate for non-life annuities

Investment Earnings	5.5% Effective annual rate

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, Part V - Summary of Plan Provisions
Plan Number: 002
ID: KAY16

Plan Effective Date	January 1, 1979
Plan Anniversary Date	January 1, 2016
Participation Eligibility	Minimum age: 21 and Minimum months of service: 12
Plan Entry Date	Plan anniversary nearest the satisfaction of the participation requirements
Normal Retirement Date	65th birthday and the completion of 5 years of participation
Normal Form of Benefit	Single Life Annuity (Qualified Joint and Survivor annuity is the required standard option)
Retirement Benefit Optional Forms	Lump Sum (single payment) 50% Monthly Joint and Contingent Annuity
Normal Retirement Benefit	Accrued Benefit at 12/31/93, plus 0.65% per year of service after 12/31/93 times comp, plus 0.65% per year of service after 12/31/93 times comp * * in excess of the integration level: Table I - Maximum $97500 - Year: 2007 Maximum total years of service: 0 Maximum years of past service: 0 IRC415 maximum annual benefit: $210,000 Actuarially adjusted under IRC415(b) for benefit commencement age and benefit form Benefit limited to 100% of compensation Minimum benefit: 2% of compensation per year of topheavy plan participation up to 10
Compensation Definition	Highest consecutive 5 year average salary over all service Annual salary up to $265,000 considered
Pre-Retirement Death Benefit	Lump sum payable on death of participant Qualified pre-retirement survivor annuity is payable to the surviving spouse, unless waived with spousal consent.
Benefit Amount	100% present value of accrued benefit
Vested Retirement Benefit	Vesting Schedule: 20% a year after 3 years(100% after 7 years) Computation Period: Plan Years Based on periods of service rounded to nearest year
Accrued Retirement Benefit	Benefit Acruals Frozen as of 5/19/07 The accrued benefit is the total of the accrued benefit as of 12/31/1993 and the accruals under the current plan formula for years of service after 12/31/1993 to the benefit determination date

Early Retirement Benefit	Accrued retirement benefit Eligibility requirements: Eligibility: Minimum age: 62 Benefit Adjustment: The benefit is actuarially reduced for each year by which retirement age precedes normal retirement age, or if retirement is after normal retirement, the benefit is the greater of the in-service benefit as of the retirement date and the normal retirement benefit actuarially increased to the retirement date.

KAY MANUFACTURING CO. PENSION PLAN

Schedule SB, line 26 - Schedule of Active Participant Data

Plan Number: 002

	Years of Credited Service																			
	< 1		1 - 4		5 - 9		10 - 14		15 - 19		20 - 24		25 - 29		30 - 34		35 - 39		40+	
Age	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.	#	Avg. Comp.
<25																				
25-29																				
30-34																				
35-39									4											
40-44					1		1				1		1							
45-49											1		2							
50-54									1		1				6					
55-59											1				1					
60-64																				
65-69													1		1				1	
70+																				

Age is attained age as of the valuation date.

# indicates the number of active participants in an age and service category.

Active employees include employees who are active and deferring retirement.

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 32 - Schedule of Amortization Bases
Plan Number: 002

Type of Base	Present Value	Date Established	Years Remaining	Amount of Installment
Shortfall Base	46,020	01/01/2010	1	46,020
Shortfall Base	49,523	01/01/2011	2	25,298
Shortfall Base	8,158	01/01/2012	3	2,838
Shortfall Base	45,208	01/01/2013	4	12,047
Shortfall Base	290,200	01/01/2016	7	47,948
Total	439,108			134,151

KAY MANUFACTURING CO. PENSION PLAN
Schedule SB, line 22 - Description of Weighted Average Retirement Age
Plan Number: 002

The weighted average retirement age of 65 is the average of the assumed retirement ages for all active participants as of the valuation date rounded to the nearest whole age. For an active late retiree, the assumed retirement age may be later than the Plan's normal retirement age. Each participant's rate of retirement is assumed to be 100% of his/her assumed retirement age.