

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
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>
A	This return/report is for: <div style="display: inline-block; width: 45%;"> ☐ a multiemployer plan </div> <div style="display: inline-block; width: 45%;"> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div>
	☒ a single-employer plan <div style="display: inline-block; width: 45%;"> ☐ a DFE (specify) ____ </div>
B	This return/report is: <div style="display: inline-block; width: 45%;"> ☐ the first return/report </div> <div style="display: inline-block; width: 45%;"> ☐ the final return/report </div>
	☐ an amended return/report <div style="display: inline-block; width: 45%;"> ☐ a short plan year return/report (less than 12 months) </div>
C	If the plan is a collectively-bargained plan, check here. ☐
D	Check box if filing under: <div style="display: inline-block; width: 45%;"> ☒ Form 5558 </div> <div style="display: inline-block; width: 45%;"> ☐ automatic extension </div>
	☐ special extension (enter description) <div style="display: inline-block; width: 45%;"> ☐ the DFVC program </div>

Part II	Basic Plan Information —enter all requested information	
1a	Name of plan <u>CARLETON TECHNOLOGIES, INC. EMPLOYEES' RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u>
		1c Effective date of plan <u>01/01/1988</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>CARLETON TECHNOLOGIES, INC.</u> <u>10 COBHAM DRIVE</u> <u>ORCHARD PARK, NY 14127-4195</u>	
	2b Employer Identification Number (EIN) <u>16-1303637</u>	
	2c Plan Sponsor's telephone number <u>716-662-0006</u>	
	2d Business code (see instructions) <u>335900</u>	

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/16/2017</u>	<u>TIMOTHY SOPKO</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/16/2017</u>	<u>TIMOTHY SOPKO</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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	5 379
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 115 6a(2) 103 6b 146 6c 101 6d 350 6e 27 6f 377 6g 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 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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
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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 <u>CARLETON TECHNOLOGIES, INC. EMPLOYEES' RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>CARLETON TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>16-1303637</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>21873273</u>
b Actuarial value	2b <u>24060600</u>
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.....	<u>171</u> <u>11166631</u> <u>11166631</u>
b For terminated vested participants.....	<u>91</u> <u>3512408</u> <u>3512408</u>
c For active participants.....	<u>122</u> <u>12845829</u> <u>12845829</u>
d Total.....	<u>384</u> <u>27524868</u> <u>27524868</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.13%</u>
6 Target normal cost.....	6 <u>1001425</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/16/2017</u>
	Signature of actuary	Date
<u>MICHAEL CARNEY</u>	Type or print name of actuary	<u>17-05647</u>
<u>BURKE GROUP</u>	Firm name	Most recent enrollment number
<u>80 LINDEN OAKS DRIVE</u> <u>SUITE 210</u> <u>ROCHESTER, NY 14625</u>	Address of the firm	<u>585-624-5500</u>
		Telephone number (including area code)

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

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	338253
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	60519
9	Amount remaining (line 7 minus line 8)	0	277734
10	Interest on line 9 using prior year's actual return of <u>-7.51</u> %	0	-20858
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.34</u> %		0
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		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	256876

Part III Funding Percentages			
14	Funding target attainment percentage	14	86.48%
15	Adjusted funding target attainment percentage	15	86.48%
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	95.67%
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
08/01/2016	600000				
10/17/2016	300000				
01/30/2017	300000				
03/10/2017	363000				
04/25/2017	728				
			Totals ►	18(b)	1563728
				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 1481115
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:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22	63			
23	Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute					
Part VI	Miscellaneous Items					
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No					
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No					
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
27	If the plan is 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	1001425			
b	Excess assets, if applicable, but not greater than line 31a	31b	0			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	3721144	736566			
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	0			
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	1737991			
		Carryover balance	Prefunding balance			
35	Balances elected for use to offset funding requirement	0	256876			
36	Additional cash requirement (line 34 minus line 35)	36	1481115			
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1481115			
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	0			
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				

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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

<div>A</div> <div>Name of plan</div> <div>CARLETON TECHNOLOGIES, INC. EMPLOYEES' RETIREMENT PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>CARLETON TECHNOLOGIES, INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>16-1303637</div>

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a

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

☐ Yes ☒ No
- b

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

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

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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)

KEY TRUST CO.

16-1604857

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 19 21 50 62	NONE	37681	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CLOVER CAPITAL MANAGEMENT

16-1263400

(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?
28 50 51	NONE	122824	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 CARLETON TECHNOLOGIES, INC. EMPLOYEES' RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 CARLETON TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 16-1303637	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	250000	663728
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	49428	53282
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	146526	127200
(2) U.S. Government securities	1c(2)	1394749	1403582
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	738510	578697
(B) All other.....	1c(3)(B)	1678976	1847318
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	708331	1324352
(B) Common.....	1c(4)(B)	13730251	15128190
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	2966600	2974726
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	210782	163350

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	21874153	24264425

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	21874153	24264425
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1563728	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1563728
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	919	
(B) U.S. Government securities	2b(1)(B)	19021	
(C) Corporate debt instruments	2b(1)(C)	68321	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	8599	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		96860
(2) Dividends: (A) Preferred stock	2b(2)(A)	26224	
(B) Common stock	2b(2)(B)	484542	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	103850	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		614616
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	31215317	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	31639602	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-424285
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	2035142	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		2035142

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		50126
c Other income.....	2c		137
d Total income. Add all income amounts in column (b) and enter total.....	2d		3936324

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1170184	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1170184
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	37681	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	122824	
(4) Other	2i(4)	215363	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		375868
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1546052

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2390272
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: **TRONCONI SEGARRA & ASSOCIATES, LLP**

(2) EIN: **04-3728817**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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		X	

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 4008893. (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

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

A Name of plan <u>CARLETON TECHNOLOGIES, INC. EMPLOYEES' RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARLETON TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>16-1303637</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>34-6881356</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? 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 / / .	

**Carleton Technologies Inc.
Employees' Retirement Plan**

**Financial Statements
and Supplemental Schedules**

December 31, 2016 and 2015

Carleton Technologies Inc. Employees' Retirement Plan
Financial Statements

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Report of Independent Auditors

To the Plan Sponsor and Participants of
Carleton Technologies Inc. Employees'
Retirement Plan
Orchard Park, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Carleton Technologies Inc. Employees' Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by KeyBank National Association, the trustee of the Plan (the "Trustee"), except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of assets (held at end of year) and schedule of reportable transactions as of and for the year ended December 31, 2016, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with GAAS and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Tronconi Segarra & Associates LLP

October 13, 2017

Carleton Technologies Inc. Employees' Retirement Plan

Statements of Net Assets Available for Benefits

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<i>Investments, at fair value</i>		
Money market funds	\$ 127,200	\$ 146,526
Common stocks	16,452,542	14,438,582
Mutual funds	2,974,726	2,966,600
U.S. Government securities	1,403,582	1,154,604
Municipal bond	163,350	210,783
Corporate and foreign bonds	<u>2,426,015</u>	<u>2,657,631</u>
Total investments	23,547,415	21,574,726
<i>Receivables</i>		
Employer contributions	663,728	250,000
Interest and dividends	38,638	49,427
Pending securities sales	<u>14,644</u>	<u>0</u>
Total receivables	<u>717,010</u>	<u>299,427</u>
Net assets available for benefits	<u>\$ 24,264,425</u>	<u>\$ 21,874,153</u>

See report of independent auditors and notes to financial statements.

Carleton Technologies Inc. Employees' Retirement Plan

Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<i>Additions to Net Assets Attributed to:</i>		
Investment income (loss)		
Interest and dividends	\$ 711,476	\$ 623,150
Net appreciation (depreciation) in fair value of investments	1,661,120	(2,526,169)
Less investment fees	<u>122,824</u>	<u>148,841</u>
Net investment income (loss)	2,249,772	(2,051,860)
Employer contributions	<u>1,563,728</u>	<u>1,150,000</u>
Total additions (reductions)	3,813,500	(901,860)
<i>Deductions from Net Assets Attributed to:</i>		
Benefits paid to participants	1,170,184	4,604,502
Administrative expenses	<u>253,044</u>	<u>252,998</u>
Total deductions	<u>1,423,228</u>	<u>4,857,500</u>
Net increase (decrease)	2,390,272	(5,759,360)
<i>Net Assets Available for Benefits</i>		
Beginning of year	<u>21,874,153</u>	<u>27,633,513</u>
End of year	<u><u>\$ 24,264,425</u></u>	<u><u>\$ 21,874,153</u></u>

See report of independent auditors and notes to financial statements.

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements

1. Description of Plan

The following description of the Carleton Technologies Inc. Employees' Retirement Plan (the "Plan") provides only general information. 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 effective January 1, 1988 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Pursuant to changes resulting from the Tax Reform Act of 1986, Carleton Technologies Inc. (the "Plan Sponsor") froze Plan participation and benefit accruals as of January 1, 2005. All employees of the Plan Sponsor who were hired on or prior to December 31, 2003, were at least 21 years of age and had completed one year of service by January 1, 2005 were eligible to participate in the Plan. In 2015, the Plan was amended effective November 1, 2015, to allow eligible terminated vested participants a one-time lump sum cash-out or immediate annuity option. Distributions taken as a result of this amendment amounted to \$3,581,005 for the year ended December 31, 2015.

Funding Policy— The Plan Sponsor's funding policy is to make annual contributions to the Plan in amounts so that all employees' benefits will be fully provided for by the time they retire. All contributions to the Plan are for the purpose of funding past service benefits. The Plan Sponsor's contributions for 2016 and 2015 equaled or exceeded the minimum funding requirements of ERISA.

In accordance with recent federal law, the Plan Sponsor elected to amortize the Plan's new shortfall amortization base over 15 years. Under this relief option, the Plan is subject to a lower funding requirement than would have otherwise been applicable under previous law.

Pension Benefits— Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65) based upon their annual compensation and years of service. The Plan permits early retirement at ages 55-64 for employees with 15 or more years of service. If a participant terminates before rendering five years of service, they forfeit the right to receive their accumulated Plan benefits. There is no partial vesting of benefits. Participants may elect to receive the value of their accumulated Plan benefits as a single life annuity or a joint and survivor annuity payable monthly from the date of retirement.

Death Benefits— If an active participant dies at age 55 or older and has completed at least 15 years of service or has attained the normal retirement date and possesses five years of service, the participant's spouse will be entitled to a death benefit specified in the Plan agreement provided that the participant was married to the spouse for the year preceding the death.

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Tax Status – The Plan obtained its latest determination letter dated December 16, 2013, in which the Internal Revenue Service (“IRS”) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the “Code”). 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 Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

Accounting principles generally accepted in the United States of America (“GAAP”) require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management is not aware of any uncertain tax positions that would cause the Plan to lose its tax status or to otherwise be subject to other taxes or penalties.

Plan Termination – Although it has not expressed any intention to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

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

- i. Annuity benefits of former employees or their beneficiaries that have been receiving benefit payments for at least three years. The priority amount is limited to the lowest benefit that was payable during those three years.
- ii. Other vested benefits insured by the Pension Benefit Guaranty Corporation (“PBGC”) up to the applicable limitation (discussed below).
- iii. All other vested benefits.
- iv. All non-vested benefits.

If the Plan terminates, certain benefits under the Plan are insured by the PBGC. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor’s pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan’s termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of the participant’s monthly benefit that the PBGC guarantees. That ceiling, based on a participant’s normal retirement age of 65, for Plan terminations occurring during 2017 is \$5,369 per month.

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

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

2. Summary of Significant Accounting Policies

Basis of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition – Plan investments are stated at fair value and are administered by the Plan's trustee, KeyBank National Association ("KeyBank" or the "Trustee"). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized gains (losses) on disposition of investments are based upon actual costs and selling prices. The Plan presents in the statements of changes in net assets available for Plan benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains (losses) and the unrealized appreciation (depreciation) on those investments.

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.

Actuarial Present Value of Accumulated Plan Benefits – The actuarial present value of accumulated Plan benefits is determined by the Plan's actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial cost method and significant actuarial assumptions used in the valuations as of January 1, 2017 and 2016 were:

- ***Actuarial Cost Method*** – As of January 1, 2017 and 2016, the Traditional Unit Credit Cost Method was used in the development of the minimum contribution; the Projected Unit Credit Cost Method was used in the development of the maximum contribution and the at-risk liabilities, if applicable.
- ***Retirement*** – As of January 1, 2017 and 2016, rates of early retirement range from age 55 to 64, with 100% rate upon reaching age 65.

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

- *Interest* – the Moving Ahead for Progress in the 21st Century Act (“MAP-21”) established a corridor for the 24-month average segment rates used under the current law to value Plan liabilities. The use of a 25 year average of rates is intended to stabilize the rates from year to year and avoid the steady and sharp declines of recent years. The interest rate corridor is 90-110% for 2017, and as a result, the interest rate basis for the 2017 valuation is as follows:

Segment	Rate
First	4.16%
Second	5.72%
Third	6.48%

The effective rate for 2016 is 5.94%.

- *Rate of Return* – The expected rate of return is limited to 6.65% for 2016.
- *Salary Increase* – As of January 1, 2017 and 2016, 4.0% per annum.
- *Mortality* – At January 1, 2017, the Combined RP – 2000 Mortality Table static and non-annuitant tables, projected 7 years for annuitants and 15 years for non-annuitants beyond the valuation year and sex distinct RP-2014 dollar-weighted annuitant and non-annuitant mortality tables projected with Scale MP-2016 on a generational basis. At January 1, 2016, the MP-2015 mortality scale was used.

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

Administrative Expenses – Fees for investment management and other services rendered in connection with the administration of the Plan are paid by the Plan.

Party-in-Interest Transactions – Certain Plan investments are shares of common stock managed by KeyCorp, a wholly-owned subsidiary of KeyBank. KeyBank is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Risks and Uncertainties – Contributions to the Plan and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the accompanying financial statements.

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments are exposed to various risks, such as interest rate and market risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying financial statements.

Use of Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated Plan benefits at the date of the financial statements, and changes therein. Accordingly, actual results could differ from those estimates.

Reclassification – In order to facilitate comparison of financial information, certain amounts reported in the prior year have been reclassified to conform to current year presentation.

Subsequent Events – The Plan Sponsor has evaluated subsequent events, for recognition or disclosure, through October 13, 2017, the date the accompanying financial statements were available to be issued.

Carleton Technologies Inc. Employees' Retirement Plan
Notes to Financial Statements (continued)

3. Accumulated Plan Benefits

As of January 1, 2017 and 2016, the actual present value of accumulated Plan benefits and changes in accumulated Plan benefits for the respective Plan year as calculated by the Plan's actuaries, are as follows:

	<u>January 1, 2017</u>	<u>January 1, 2016</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 11,639,691	\$ 10,768,034
Other participants	<u>15,516,574</u>	<u>15,318,283</u>
Total vested benefits	<u>27,156,265</u>	<u>26,086,317</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 27,156,265</u>	<u>\$ 26,086,317</u>
Changes in accumulated plan benefits		
Actuarial present value of accumulated plan benefits at beginning of year	\$ 26,086,317	\$ 27,450,730
Increase (Decrease) during the year attributable to:		
Actuarial gains and losses	1,146,486	1,679,973
Interest	1,785,778	1,886,335
Change in assumptions	(692,132)	(326,219)
Benefits paid	<u>(1,170,184)</u>	<u>(4,604,502)</u>
Net increase (decrease)	<u>1,069,948</u>	<u>(1,364,413)</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 27,156,265</u>	<u>\$ 26,086,317</u>

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements (continued)

4. Information Certified by the Trustee (Unaudited)

For the years ended December 31, 2016 and 2015, the financial information included in the accompanying financial statements and supplementary information, except for employer contributions receivable and employer contributions, has been derived from information certified as complete and accurate by the Trustee, in accordance with Section 2520.103-5 of the Department of Labor ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA.

5. Fair Value Measurements

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

- Level 1 – Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that are accessible at the measurement date.
- Level 2 – Quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active. This level also includes inputs other than quoted prices that are observable, either directly or indirectly, for substantially the full term through corroboration with observable, independent market data. This includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security December 31, 2016 and 2015.
- Level 3 – Pricing inputs are unobservable for the asset or liability. That is, inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability. There were no assets of the Plan that utilized Level 3 inputs as its primary measure of fair value at December 31, 2016 and 2015.

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.

Carleton Technologies Inc. Employees' Retirement Plan

Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

The 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 Market Funds – Shares of money market funds are valued at amortized cost, which approximates fair value. The amortized cost of an instrument is determined by valuing it at its original cost and thereafter amortizing any discount or premium from its face value at a constant rate until maturity.

Common Stocks – Valued at the closing price reported on the respective stock exchange.

Mutual Funds – Shares of mutual funds are valued at quoted market prices which represent the net asset value of shares held by the Plan at year end.

U.S. Government Securities – Valued using pricing models maximizing the use of observable inputs for similar securities.

Municipal Bonds – Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate and Foreign Bonds – Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Carleton Technologies Inc. Employees' Retirement Plan
Notes to Financial Statements (continued)

5. Fair Value Measurements (continued)

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

	<u>2016</u>	<u>2015</u>
Level 1		
Money market funds	\$ 127,200	\$ 146,526
Common stock	16,452,542	14,438,582
Mutual funds	<u>2,974,726</u>	<u>2,966,600</u>
	19,554,468	17,551,708
Level 2		
U.S. Government securities	1,403,582	1,154,604
Municipal bonds	163,350	210,783
Corporate and foreign bonds	<u>2,426,015</u>	<u>2,657,631</u>
	<u>3,992,947</u>	<u>4,023,018</u>
	<u>\$ 23,547,415</u>	<u>\$ 21,574,726</u>

ATTACHMENT TO 2016 SCHEDULE SB
 PLAN: CARLETON TECHNOLOGIES, INC. EMPLOYEES RETIREMENT PLAN
 EIN/PN: 16 – 1303637 / 001

Schedule SB, Line 26 – Schedule of Active Participant Data

Attained Age	Years of Credited Service									Total Number
	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	4	2	0	0	0	0	0	6
40 to 44	0	0	3	3	1	0	0	0	0	7
45 to 49	0	0	6	7	3	3	0	0	0	19
50 to 54	0	0	8	10	5	3	2	2	0	30
55 to 59	0	0	0	12	1	2	7	3	0	25
60 to 64	0	0	3	5	2	5	2	4	1	22
65 to 69	0	0	0	2	0	2	1	1	0	6
70 & up	0	0	0	0	0	0	0	0	0	0
Total	0	0	24	41	12	15	12	10	1	115

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

Actuarial Cost Methods:

Traditional Unit Credit

The actuarial cost method used in the valuation was the traditional unit credit cost method.

The normal cost is the sum of all the individual normal costs for each participant. For active participants, the individual normal cost is the present value of the benefit earned during the year being valued. The normal cost is zero for active participants whose credited service equals or exceeds the plan maximum, and for non-active participants.

The actuarial accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability for an active participant is the present value of the accrued benefit as of the valuation date. For non-active participants, the individual accrued liability is the present value at the current age of future benefits. The unfunded liability is the actuarial accrued liability less the valuation assets.

The total annual cost of the plan is the normal cost plus an amount to amortize the shortfall amount.

Projected Unit Credit

The actuarial cost method used in the development of the maximum contribution and the at-risk liabilities, if applicable, was projected unit credit cost method.

Under this method, the normal cost is the sum of the individual normal costs for all participants. For an active participant, the individual normal cost is the present value at the current age of the projected benefit at the assumed retirement age, based on the actuarial assumptions, divided by the participant's expected years of credited service at that age. For a non-active participant, the normal cost is zero.

The actuarial accrued liability is the sum of the individual accrued liabilities for all plan participants. For an active participant, the individual accrued liability is the product of the normal cost and the total years of credited service at the current age. For non-active participants, the individual accrued liability is the present value at the current age of future benefits. The unfunded actuarial accrued liability equals the actuarial accrued liability less the valuation assets.

Asset Valuation Method:

The actuarial value of the assets is determined by using the average value of the fair market value of the plan's assets at the valuation date over a 24 month period adjusted for contributions, distributions, expected earnings, and includes contributions receivable discounted to the end of the plan year. The asset value determined under this method is adjusted to be no greater than 110% and no less than 90% of the fair market value of assets.

Participants included in valuation:

All employees who are eligible to participate as of the valuation date, plus retirees, beneficiaries and terminated participants entitled to current or future benefits.

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

Discount Rates: MAP-21/HATFA basis Interest rate basis for the 2016 valuation is 4.43% / 5.91% / 6.65%. The Plan's effective rate, based upon the HATFA segment rates is 6.13% for 2016.

Expected Rate of Return on Plan Assets: The expected return assumption is limited to the applicable 3rd segment rate as detailed in Notice 2009-22 (6.65% for 2016).

Mortality: Optional combined table of RP-2000 static annuitant and non-annuitant tables, projected 7 years for annuitants and 15 years for non-annuitants beyond the valuation year.

Retirement Rates: Participants are assumed to retire in accordance with the following rates:

<u>Age</u>	<u>Rate</u>
55	1.0%
56-58	2.0
59-61	5.0
62	25.0
63	30.0
64	40.0
65+	100.0

Turnover: Table T-5; sample rates:

<u>Age</u>	<u>Rate</u>
20	7.94%
25	7.72
30	7.22
35	6.28
40	5.15
45	3.98
50	2.56
55	0.94
60	0.90

Salary Scale: 4.0% per year

Percent married: 75% for males, 65% for females; a spouse is assumed to be 4 years younger than male spouse

Frequency of Optional Forms of Payment: 100% of participants are assumed to elect the life annuity option upon retirement

Expenses: \$252,998

ATTACHMENT TO 2016 SCHEDULE SB
 PLAN: CARLETON TECHNOLOGIES, INC. EMPLOYEES RETIREMENT PLAN
 EIN/PN: 16 – 1303637 / 001

Schedule SB, Line 19 – Discounted Employer Contributions

<u>Date</u> <u>Contribution</u> <u>Paid</u>	<u>Amount</u> <u>Paid</u>	<u>Applicable</u> <u>Plan</u> <u>Year</u>	<u>Effective</u> <u>Interest</u> <u>Rate</u>	<u>Interest Rate</u> <u>On Late</u> <u>Installments</u>	<u>Interest-</u> <u>Adjusted</u> <u>Contribution</u>
08/01/2016	\$ 291,017	2016	6.13%	11.13%	\$ 277,320
08/01/2016	\$ 291,017	2016	6.13%	11.13%	\$ 280,513
08/01/2016	\$ 17,966	2016	6.13%	N/A	\$ 17,355
10/17/2016	\$ 273,051	2016	6.13%	11.13%	\$ 260,412
10/17/2016	\$ 26,949	2016	6.13%	N/A	\$ 25,708
01/30/2017	\$ 264,068	2016	6.13%	11.13%	\$ 247,174
01/30/2017	\$ 35,932	2016	6.13%	N/A	\$ 33,697
03/10/2017	\$ 363,000	2016	6.13%	N/A	\$ 338,263
04/25/2017	\$ 728	2016	6.13%	N/A	\$ 673
Total	\$1,563,728				\$1,481,115

Schedule SB, Line 32 – Schedule of Amortization Bases – HATFA Basis

Type of Amortization Base	Present Value of Remaining Installments	Date Established	Remaining Years	Amortization Installment
Shortfall	\$ 490,628	1/1/2010	1	\$ 490,628
Shortfall	2,405,833	1/1/2011	10	302,637
Shortfall	(1,236,269)	1/1/2012	3	(430,076)
Shortfall	1,114,349	1/1/2013	4	296,954
Shortfall	(1,337,114)	1/1/2014	5	(291,094)
Shortfall	(447,638)	1/1/2015	6	(83,767)
Shortfall	<u>2,731,355</u>	1/1/2016	7	<u>451,284</u>
Total	\$ 3,721,144			\$ 736,566

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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
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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 CARLETON TECHNOLOGIES, INC. EMPLOYEES' RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CARLETON TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 16-1303637	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information			
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>		
2	Assets:		
	a Market value	2a	21873273
	b Actuarial value	2b	24060600
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	171	11166631
	b For terminated vested participants	91	3512408
	c For active participants	122	12845829
	d Total	384	27524868
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐	
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	6.13 %
6	Target normal cost	6	1001425

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	Michael Carney <i>MC</i> Signature of actuary	10/16/2017 Date
	MICHAEL CARNEY Type or print name of actuary	17-05647 Most recent enrollment number
	BURKE GROUP Firm name	585-624-5500 Telephone number (including area code)
	80 LINDEN OAKS DRIVE SUITE 210 ROCHESTER, NY 14625 Address of the firm	

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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

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	338253
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	60519
9	Amount remaining (line 7 minus line 8)	0	277734
10	Interest on line 9 using prior year's actual return of <u>-7.51%</u>	0	-20858
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.34%</u>		0
	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		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	256876

Part III Funding Percentages			
14	Funding target attainment percentage	14	86.48%
15	Adjusted funding target attainment percentage	15	86.48%
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	95.67%
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
08/01/2016	600000				
10/17/2016	300000				
01/30/2017	300000				
03/10/2017	363000				
04/25/2017	728				
			Totals ►	18(b)	1563728
				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	1481115
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?		☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?		☐ Yes ☒ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
(4) 4th		
0		

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

21 Discount rate:			
a Segment rates:	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%
			☐ N/A, full yield curve used
b Applicable month (enter code)	21b		4
22 Weighted average retirement age	22		63
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is 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	1001425	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	3721144		736566
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	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	1737991	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	256876	256876
36 Additional cash requirement (line 34 minus line 35)	36	1481115	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	1481115	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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		

Carleton Technologies Inc. Employees' Retirement Plan

Form 5500 Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

December 31, 2016

EIN: #16-1303637

Plan: #001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Federated Government Obligations	Money Market Fund	\$ 127,200	\$ 127,200
	Abbott Labs	Common Stock	508,633	437,874
	Affiliated Managers Group Inc	Common Stock	336,723	305,130
	American International Group Inc	Common Stock	320,133	355,940
	AT&T Inc	Common Stock	452,428	488,032
	Bank of America Corp	Common Stock	491,818	649,740
	Bank of New York Mellon Corp	Common Stock	521,667	619,020
	BP PLC	Common Stock	579,709	660,692
	Calpine Corp	Common Stock	282,752	222,314
	Caterpillar Inc Del	Common Stock	328,095	398,782
	CF Industries Holdings Inc	Common Stock	211,696	218,786
	Cigna Corp	Common Stock	237,302	246,772
	CSX Corp	Common Stock	431,789	575,778
	Cypress Semiconductor Corp	Common Stock	315,335	376,662
	Discover Financial Services	Common Stock	274,379	430,738
	Duke Realty Corp	Common Stock	310,955	389,104
	Eaton Corp PLC	Common Stock	359,848	442,794
	Frontier Communications Corp	Common Stock	343,570	248,346
	Gilead Sciences Inc	Common Stock	233,915	209,459
	Hartford Finl SVCS Group Inc	Common Stock	342,366	381,438
	Huntsman Corp	Common Stock	341,121	409,266
*	Keycorp New	Common Stock	392,073	587,381
	Lilly Eli & Co	Common Stock	355,642	380,621
	Marathon Oil Corp	Common Stock	272,454	318,504
	Olin Corp	Common Stock	220,096	386,071
	PayPal Holdings Inc	Common Stock	249,716	272,343
	PBF Energy Inc	Common Stock	379,801	312,256
	Pfizer Inc	Common Stock	428,978	437,668
	Proctor & Gamble Co	Common Stock	363,674	401,482
	Swift Transportation Co	Common Stock	188,009	260,043
	Symantec Corp	Common Stock	343,648	392,393
	Tegna Inc	Common Stock	0	0
	Tenaris SA	Common Stock	319,937	417,807
	Textron Inc	Common Stock	288,738	292,574
	Toll Brothers Inc	Common Stock	301,471	338,675
	Travelport Worldwide LTD	Common Stock	265,442	311,258
	UnitedHealth Group Inc	Common Stock	466,073	628,157
	Voya Financial Inc	Common Stock	273,583	349,058
	Walgreens Boot Alliance Inc	Common Stock	435,810	446,903
	Wesco International Inc	Common Stock	198,398	212,959
	Whirlpool Corp	Common Stock	313,272	315,370
	Ingersoll Rand PLC	Non-US Common Stock	256,914	346,310
	Suncor Energy Inc	Non-US Common Stock	449,401	553,278
	XL Group PLC	Non-US Common Stock	393,731	424,764
	Federated Insl High Yield Bond	Mutual Fund	664,755	714,624
	Federated Intermed Corp Bond FD	Mutual Fund	940,510	941,541
	Federated Mortgage Fund	Mutual Fund	1,323,232	1,318,561
	Freddie Mac	Gov't Mortgage Back, 0% Due 1/15/2036	22,115	21,768
	Freddie Mac Gold	Gov't Mortgage Back, 5% Due 4/1/2019	3,387	3,324
	Freddie Mac Gold	Gov't Mortgage Back 4.5% Due 6/1/2024	7,189	7,089
	Government Natl Mtg Assn	Gov't Mortgage Back 6.5% Due 10/15/2028	1,965	1,962
	Government Natl Mtg Assn	Gov't Mortgage Back 6.5% Due 10/15/2031	1,892	1,907

See report of independent auditors.

Carleton Technologies Inc. Employees' Retirement Plan

Form 5500 Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

December 31, 2016

EIN: #16-1303637

Plan: #001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	Government Natl Mtg Assn	Gov't Mortgage Back 6.5% Due 12/15/2023	2,367	2,363
	Government Natl Mtg Assn	Gov't Mortgage Back RT% Due 6/20/2036	18,800	16,418
	Government Natl Mtg Assn	Gov't Mortgage Back 5% Due 6/16/2034	3,474	3,447
	Government Natl Mtg Assn II	Gov't Mortgage Back 6% Due 5/20/2032	3,135	3,172
	United States Treas Bds	5.375% Due 2/15/2031	21,688	19,978
	United States Treas Nts	1.75% Due 11/30/2021	74,391	74,441
	United States Treas Nts	.5% Due 3/31/2017	529,921	530,027
	United States Treas Nts	.625% Due 5/31/2017	139,985	140,011
	United States Treas Nts	1.625% Due 5/31/2023	560,251	531,333
	United States Treas Nts	2.875% Due 11/15/2046	45,585	46,342
	California State	Taxable Municipal Bonds 7.55% Due 4/1/2039	159,904	163,350
	Abbott Laboratories	Senior NT 2.9% Due 11/30/2021	109,805	109,687
	American Honda Finance Corp	Med Term NT Ser A 2.45% Due 9/24/2020	25,039	25,129
	AT&T Inc	Senior NT 2.8% Due 2/17/2021	65,250	64,484
	AT&T Inc	Senior BD 5.65% Due 2/15/2047	56,801	61,133
	Bank of America Corp	Med Term BK NT 2.625% Due 10/19/2020	17,774	18,010
	Bank of America Corp	Senior NT Ser L 2.25% Due 4/21/2020	107,346	109,359
	Bank of New York Mellon Corp	Med Term BK NT Ser G 2.45% Due 11/27/2020	24,890	25,009
	Chevron Corp	Senior NT 2.1% Due 5/16/2021	94,916	94,186
	Citigroup Inc	Senior NT 3.7% Due 1/12/2026	79,894	79,588
	Citigroup Inc	Senior NT 2.05% Due 12/7/2018	119,366	119,987
	Citigroup Inc	Senior NT 3.4% Due 5/1/2026	39,919	38,866
	Exxon Mobil Corp	Senior NT 2.222% Due 3/1/2021	20,000	20,046
	Ford Motor Co	Senior NT 4.346% Due 12/8/2026	40,000	40,420
	Goldman Sachs Group Inc	Senior NT 3.5% Due 11/16/2026	54,858	53,734
	Goldman Sachs Group Inc	Senior NT 2.3% Due 12/13/2019	59,955	59,932
	Goldman Sachs Group Inc	Senior NT 3.75% Due 2/25/2026	39,908	40,118
	JP Morgan Chase & Co	Senior NT 2.972% Due 1/15/2023	119,996	119,598
	JP Morgan Chase & Co	Senior NT 2.55% Due 3/1/2021	19,985	19,937
	Microsoft Corp	Senior NT 2.55% Due 8/8/2026	54,898	51,959
	Morgan Stanley	Med Term NT Ser F 2.625% Due 11/17/2021	30,842	30,627
	Morgan Stanley	Med Term NT Ser F 2.5% Due 4/21/2021	19,933	19,783
	Morgan Stanley	Med Term NT Ser F 3.125% Due 7/27/2026	10,925	10,509
	Morgan Stanley	Senior NT Ser F 5.5% Due 7/28/2021	84,028	83,111
	Oracle Group	Senior NT 1.9% Due 9/15/2021	144,748	141,693
	Toyota Motor Credit Corp	Med Term NT 1.55% Due 10/18/2019	79,960	79,032
	Verizon Communications Inc	Senior BD 6.55% Due 9/15/2043	178,081	187,347
	Wells Fargo & Co	Senior NT 3.0% Due 10/23/2026	99,768	95,240
	Wells Fargo & Co	Senior NT 2.1% Due 7/26/2021	49,952	48,653
	Countrywide Alternative Loan TR	Corporate Mortgage Back 5.5% Due 11/25/2035	0	141
	Bank of Nova Scotia	Fgn SR NT, 1.65% Due 6/14/2019	159,804	158,534
	BP Capital Markets PLC	FGN SR NT, 3.119% Due 5/4/2026	88,116	87,900
	Royal Bank of Canada	FGN Med Term BK NT 1.5% Due 7/29/2019	84,927	85,234
	Royal Bank of Canada	FGN Med Term BK NT Ser G 1.5% Due 7/29/2019	109,874	108,609
	Shell International Finance BV	FGN SR NT 2.875% Due 5/10/2026	11,961	11,601
	Shell International Finance BV	FGN SR NT 1.875% Due 5/10/2021	34,809	34,220
	Shell International Finance BV	FGN SR NT 1.75% Due 9/12/2021	19,931	19,435
	Teva Pharmaceutical Fin Neth III BV	FGN SR NT 2.2% Due 7/21/2021	29,951	28,701
	Westpac Banking Corp	FGN SR NT 1.6% Due 8/19/2019	44,992	44,463
			<u>\$ 21,466,043</u>	<u>\$ 23,547,415</u>

* Party-in-interest

See report of independent auditors.

Schedule SB, Part V – Statement of Plan Provisions

Eligibility

Employees who have attained the age of twenty-one (21) and have completed one (1) year of eligibility service are eligible to participate on the first day of the month in which they meet these requirements.

A Year of Eligibility Service is a computation period in which an Employee receives credit for one or more hours of service. The computation period is the 12-month period from the date the employee was hired for the first year, and then the Plan Year for determining a Year of Eligibility Service in subsequent years.

Employees hired after December 31, 2003 are not eligible to participate.

Creditable Service

Effective January 1, 1994 service is credited for each month that the participant completed an hour of service. Service prior to 1994 is computed under prior plan terms.

Normal Retirement

Eligibility

Age 65

Amount of Benefit

Participants receive benefit credit in each calendar year of plan participation equal to (1) + (2):

(1) 1.25% of the Participant's Annual Compensation not in excess of \$18,000;

(2) 1.75% of the Participant's Annual Compensation in excess of \$18,000.

Benefits are credited to a Participant for forty-five (45) years of Creditable Service. In the event that a Participant has more than forty-five (45) years of Creditable Service, only those forty-five (45) years of Creditable Service which produce the greatest monthly retirement benefit are taken into account.

Early Retirement

Eligibility

Attainment of age 55 and 15 years of vesting service.

Amount of Benefit

Accrued benefit reduced by one-half of one percent (0.5%) for each month by which the commencement date of the benefit precedes the participant's Normal Retirement Date.

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

Death Benefit

Eligibility

5 years of vesting service

Amount of Benefit

One-half of the benefit that would have been paid if the participant had retired the day before he died under the joint and survivor option. Benefits are paid immediately or at the participant's early retirement age, if later.

Vesting

Eligibility

5 years of vesting service

Amount of Benefit

Accrued benefit payable at normal retirement date or at early retirement. If paid at early retirement, the benefit is actuarially reduced for each month that retirement precedes age 65.

Normal Form of Payment

If married, benefits are paid in the form of a joint and survivor annuity. If not married, benefits are payable for the life of the participant.

Optional Forms of Payment

In lieu of the Normal Form of Payment, participants may elect one of the following optional forms of payment: life annuity; life annuity with 60, 120, or 180 monthly payments guaranteed; 50%, 75%, or 100% joint and survivor.

Assumptions for Optional Forms of Payment

Optional forms of payment are actuarially equivalent to the normal form of payment for single participants, i.e. the life annuity option. The conversion factors are calculated using actuarial equivalence, which by definition is based on the 1971 Group Annuity Mortality Table with a 95% male and 5% female blend and an interest rate of 6%.

The lump sum value is calculated using the IRS Lump Sum Mortality Table and the segment rates published for November of the prior year.

Contributions

The employer pays the total cost of the plan.

Carleton Technologies Inc. Employees' Retirement Plan

Form 5500, Schedule H, line 4j

*Schedule of Reportable Transactions
for the year ended December 31, 2016*

EIN: #16-1303637

Plan: #001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(i) Net Gain/Loss
Federated Government Obligation Institutional Shares	Money Market Fund	\$ 10,780,093	\$ 10,780,093	\$ 0
Federated Government Obligations Institutional Shares	Money Market Fund	10,872,595		
United States Treas Nts 0.25% Due 4/15/2016	Treasury	550,000	549,978	(22)
United States Treas Nts 0.25% Due 4/15/2016	Treasury	550,000		

See report of independent auditors.

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

RETIREMENT RATES

<u>AGE</u>	<u>RATE</u>
55	1%
56	2%
57	2%
58	2%
59	5%
60	5%
61	5%
62	25%
63	30%
64	40%
65	100%

<u>AGE</u>	<u>NOT RETIRED</u>	<u>RETIREMENT RATE</u>	<u>PRODUCT</u>
55	1.000	0.01000	0.5500
56	0.990	0.02000	1.1088
57	0.970	0.02000	1.1060
58	0.951	0.02000	1.1029
59	0.932	0.05000	2.7488
60	0.885	0.05000	2.6556
61	0.841	0.05000	2.5648
62	0.799	0.25000	12.3827
63	0.599	0.30000	11.3242
64	0.419	0.40000	10.7370
65	0.252	1.00000	16.3572

Weighted average
retirement age 62.64

Nearest age 63.00