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| 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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p> | OMB Nos. 1210-0110 1210-0089 2017 This Form is Open to Public Inspection |
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| Part I | Annual Report Identification Information |
| For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u> | |
| A This return/report is for: | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) <input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____ |
| B This return/report is: | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months) |
| C If the plan is a collectively-bargained plan, check here. | <input type="checkbox"/> |
| D Check box if filing under: | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program <input type="checkbox"/> special extension (enter description) |

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|---|---|--|------------|---|--|---|--|--|--|---|--|
| Part II | Basic Plan Information—enter all requested information | | | | | | | | | | |
| 1a Name of plan <u>O-AT-KA MILK PRODUCTS COOPERATIVE, INC. RETIREMENT PLAN</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1965</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>16-0819699</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>585-343-0536</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>311500</u></td> </tr> </table> | 1b Three-digit plan number (PN) ▶ | <u>001</u> | 1c Effective date of plan <u>01/01/1965</u> | | 2b Employer Identification Number (EIN) <u>16-0819699</u> | | 2c Plan Sponsor's telephone number <u>585-343-0536</u> | | 2d Business code (see instructions) <u>311500</u> | |
| 1b Three-digit plan number (PN) ▶ | <u>001</u> | | | | | | | | | | |
| 1c Effective date of plan <u>01/01/1965</u> | | | | | | | | | | | |
| 2b Employer Identification Number (EIN) <u>16-0819699</u> | | | | | | | | | | | |
| 2c Plan Sponsor's telephone number <u>585-343-0536</u> | | | | | | | | | | | |
| 2d Business code (see instructions) <u>311500</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>O-AT-KA MILK PRODUCTS COOPERATIVE, INC.</u> <div style="display: flex; justify-content: space-between;"> <div><u>P.O. BOX 718</u> <u>BATAVIA, NY 14021-0718</u></div> <div><u>700 ELLICOTT ST</u> <u>BATAVIA, NY 14021-0718</u></div> </div> | | | | | | | | | | | |

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

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

| | | | |
|------------------|---|------------|--|
| SIGN HERE | Filed with authorized/valid electronic signature. | 07/13/2018 | LORI LUKASIK |
| | Signature of plan administrator | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | | | |
| | Signature of employer/plan sponsor | Date | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE | | | |
| | Signature of DFE | Date | Enter name of individual signing as DFE |

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

Form 5500 (2017)
v. 170203

| | |
|--|--|
| 3a Plan administrator's name and address <input checked="" type="checkbox"/> 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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name | 4b EIN 4d PN |
| 5 Total number of participants at the beginning of the plan year | 5 144 |
| 6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). | |
| a(1) Total number of active participants at the beginning of the plan year | 6a(1) 127 |
| a(2) Total number of active participants at the end of the plan year | 6a(2) 132 |
| b Retired or separated participants receiving benefits | 6b 1 |
| c Other retired or separated participants entitled to future benefits | 6c 22 |
| d Subtotal. Add lines 6a(2) , 6b , and 6c | 6d 155 |
| e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | 6e 0 |
| f Total. Add lines 6d and 6e | 6f 155 |
| g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | 6g 146 |
| h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | 6h 0 |
| 7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)..... | 7 |

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2T 3D

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

| | |
|---|---|
| 9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor | 9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor |
|---|---|

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 _____

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| SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation | Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. | OMB No. 1210-0110 |
| | | 2017 |
| | | This Form is Open to Public Inspection. |

| | | |
|--|---|-----|
| For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017 | | |
| A Name of plan O-AT-KA MILK PRODUCTS COOPERATIVE, INC. RETIREMENT PLAN | B Three-digit plan number (PN) ► | 001 |
| | | |
| C Plan sponsor's name as shown on line 2a of Form 5500 O-AT-KA MILK PRODUCTS COOPERATIVE, INC. | D Employer Identification Number (EIN) 16-0819699 | |

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| 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 FIDELITY INVESTMENTS INSTITUTIONAL 04-2647786 |
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|---|
| (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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (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? |
|------------------------|---|--|--|--|---|--|
| 37 60 64 65 | RECORDKEEPER | 1938 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | 0 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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 |
|--|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| ABF LG CAP VAL INV - BOSTON FINANC P.O. BOX 8480 BOSTON, MA 02266 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| COL MID CAP INDEX I - COLUMBIA MGT PO BOX 8081 BOSTON, MA 02266 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| DH MID CAP I - DIAMOND HILL CAPITA 325 JOHN H. MCCONNELL BOULEVARD, SUITE 200 COLUMBUS, OH 43215 | 0.10% | |

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 |
|--|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| J H ENTERPRISE I - JANUS SERVICES 43-1804048 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| METWEST TOT RTN BD I - BNY MELLON P.O. BOX 9793 PROVIDENCE, RI 02940 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| MSIF GROWTH I - BOSTON FINANCIAL D P.O. BOX 8480 BOSTON, MA 02266 | 0.15% | |

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 |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| NORTHERN SM CAP IDX - NORTHERN TRU 36-2723087 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP BALANCED - T. ROWE PRICE SERVI 52-2269240 | 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP QM US SM-CP GR - T. ROWE PRICE 52-2269240 | 0.15% | |

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 |
|--|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | | |
| TRP RETIREMENT 2010 - T. ROWE PRIC | 0.15% | |
| 52-2269240 | | |
| (a) Enter service provider name as it appears on line 2 | | |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | | |
| TRP RETIREMENT 2015 - T. ROWE PRIC | 0.15% | |
| 52-2269240 | | |
| (a) Enter service provider name as it appears on line 2 | | |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation | | |
| TRP RETIREMENT 2020 - T. ROWE PRIC | 0.15% | |
| 52-2269240 | | |

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 |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2025 - T. ROWE PRIC | 0.15% | |
| 52-2269240 | | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2030 - T. ROWE PRIC | 0.15% | |
| 52-2269240 | | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2035 - T. ROWE PRIC | 0.15% | |
| 52-2269240 | | |

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 |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2040 - T. ROWE PRIC 52-2269240 | 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2045 - T. ROWE PRIC 52-2269240 | 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2050 - T. ROWE PRIC 52-2269240 | 0.15% | |

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 |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| TRP RETIREMENT 2055 - T. ROWE PRIC 52-2269240 | 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| WM BLAIR MID CP GR I - BOSTON FINA P.O. BOX 8480 BOSTON, MA 02266 | 0.15% | |
| (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:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

| | | |
|--|--|---|
| SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small> | Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500. | OMB No. 1210-0110 2017 This Form is Open to Public Inspection |
| For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u> | | |
| A Name of plan <u>O-AT-KA MILK PRODUCTS COOPERATIVE, INC. 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>O-AT-KA MILK PRODUCTS COOPERATIVE, INC.</u> | | D Employer Identification Number (EIN) <u>16-0819699</u> |

| Part I | Asset and Liability Statement | | (a) Beginning of Year | (b) End of Year |
|---|--|-----------------|-----------------------|-----------------|
| 1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. | | | | |
| | Assets | | | |
| a | Total noninterest-bearing cash | 1a | 0 | 0 |
| b | Receivables (less allowance for doubtful accounts): | | | |
| | (1) Employer contributions | 1b(1) | 0 | 0 |
| | (2) Participant contributions | 1b(2) | 0 | 0 |
| | (3) Other..... | 1b(3) | 0 | 0 |
| c | General investments: | | | |
| | (1) Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| | (2) U.S. Government securities..... | 1c(2) | 0 | 0 |
| | (3) Corporate debt instruments (other than employer securities): | | | |
| | (A) Preferred | 1c(3)(A) | 0 | 0 |
| | (B) All other..... | 1c(3)(B) | 0 | 0 |
| | (4) Corporate stocks (other than employer securities): | | | |
| | (A) Preferred | 1c(4)(A) | 0 | 0 |
| | (B) Common | 1c(4)(B) | 0 | 0 |
| | (5) Partnership/joint venture interests | 1c(5) | 0 | 0 |
| | (6) Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| | (7) Loans (other than to participants) | 1c(7) | 0 | 0 |
| | (8) Participant loans | 1c(8) | 383701 | 355055 |
| | (9) Value of interest in common/collective trusts..... | 1c(9) | 403258 | 1039297 |
| | (10) Value of interest in pooled separate accounts..... | 1c(10) | 0 | 0 |
| | (11) Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| | (12) Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| | (13) Value of interest in registered investment companies (e.g., mutual funds)..... | 1c(13) | 17341805 | 20223409 |
| | (14) Value of funds held in insurance company general account (unallocated contracts)..... | 1c(14) | | |
| | (15) Other | 1c(15) | 0 | 0 |

1d Employer-related investments:

| | | (a) Beginning of Year | (b) End of Year |
|--|--------------|-----------------------|-----------------|
| (1) Employer securities | 1d(1) | 0 | 0 |
| (2) Employer real property | 1d(2) | 0 | 0 |
| e Buildings and other property used in plan operation | 1e | 0 | 0 |
| f Total assets (add all amounts in lines 1a through 1e) | 1f | 18128764 | 21617761 |

Liabilities

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

Net Assets

| | | | |
|---|-----------|----------|----------|
| l Net assets (subtract line 1k from line 1f) | 1l | 18128764 | 21617761 |
|---|-----------|----------|----------|

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) | 862579 | |
| (B) Participants | 2a(1)(B) | 776206 | |
| (C) Others (including rollovers) | 2a(1)(C) | 113330 | |
| (2) Noncash contributions | 2a(2) | 0 | 1752115 |
| (3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2) | 2a(3) | | |
| b Earnings on investments: | | | |
| (1) Interest: | | | |
| (A) Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| (B) U.S. Government securities | 2b(1)(B) | 0 | |
| (C) Corporate debt instruments | 2b(1)(C) | 0 | |
| (D) Loans (other than to participants) | 2b(1)(D) | 0 | |
| (E) Participant loans | 2b(1)(E) | 16196 | |
| (F) Other | 2b(1)(F) | 0 | |
| (G) Total interest. Add lines 2b(1)(A) through (F) | 2b(1)(G) | | 16196 |
| (2) Dividends: (A) Preferred stock | 2b(2)(A) | 0 | 958581 |
| (B) Common stock | 2b(2)(B) | 0 | |
| (C) Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 958581 | |
| (D) Total dividends. Add lines 2b(2)(A) , (B) , and (C) | 2b(2)(D) | | 958581 |
| (3) Rents | 2b(3) | | 0 |
| (4) Net gain (loss) on sale of assets: (A) Aggregate proceeds | 2b(4)(A) | 0 | |
| (B) Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| (C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result | 2b(4)(C) | | 0 |
| (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | 0 | |
| (B) Other | 2b(5)(B) | 0 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|--|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 11579 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) | | 2459665 |
| c Other income..... | 2c | | 0 |
| d Total income. Add all income amounts in column (b) and enter total..... | 2d | | 5198136 |

Expenses

| | | | |
|---|-------|---------|---------|
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers..... | 2e(1) | 1853871 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines 2e(1) through (3)..... | 2e(4) | | 1853871 |
| f Corrective distributions (see instructions) | 2f | | 8543 |
| g Certain deemed distributions of participant loans (see instructions)..... | 2g | | 0 |
| h Interest expense..... | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 4048 | |
| (4) Other | 2i(4) | 1938 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4)..... | 2i(5) | | 5986 |
| j Total expenses. Add all expense amounts in column (b) and enter total..... | 2j | | 1868400 |

Net Income and Reconciliation

| | | | |
|--|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 3329736 |
| l Transfers of assets: | | | |
| (1) To this plan..... | 2l(1) | | 159261 |
| (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: DOPKINS & COMPANY, LLP

(2) EIN: 16-0929175

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.) | | X | |
| 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.) | | X | |
| 4d | | X | |
| e Was this plan covered by a fidelity bond? | X | | 2000000 |
| 4e | X | | 2000000 |
| f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | | X | |
| 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? | | X | |
| 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? | | X | |
| 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.) | X | | |
| 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.) | | X | |
| 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? | | X | |
| 4k | | X | |
| l Has the plan failed to provide any benefit when due under the plan? | | X | 0 |
| 4l | | X | 0 |
| m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | | X | |
| 4m | | X | |
| n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | | X | |
| 4n | | X | |

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

| | | |
|---|---|--|
| 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 2017 This Form is Open to Public Inspection. |
|---|---|--|

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

| | |
|---|--|
| A Name of plan <u>O-AT-KA MILK PRODUCTS COOPERATIVE, INC. 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>O-AT-KA MILK PRODUCTS COOPERATIVE, INC.</u> | D Employer Identification Number (EIN) <u>16-0819699</u> |

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

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

| | | |
|--|----------|--|
| 1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions | 1 | |
| 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>04-6568107</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 | |

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

| | | | |
|---|---|-----------------------------|------------------------------|
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

| | |
|-----------------|-------------------|
| Part III | Amendments |
|-----------------|-------------------|

| | | | | |
|---|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| 9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|---|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

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

| | | |
|--|------------------------------|-----------------------------|
| 10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11 a Does the ESOP hold any preferred stock? | <input type="checkbox"/> Yes | <input type="checkbox"/> 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.) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

Schedule R (Form 5500) 2017
v. 170203

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): _____

SUPPLEMENTAL SCHEDULE

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

**SCHEDULE H, LINE 4f - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2017**

EIN: 16-0819699

PLAN NUMBER: 001

| (a) (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investments, including maturity date, rate of interest, collateral par or maturity value | (e) Current Value |
|---|---|----------------------|
| Mutual funds: | | |
| • Fidelity Investments Institutional Operations Company, Inc. | Contrafund - 24,025 shares | \$ 2,942,364 |
| T. Rowe Price | T. Rowe Price Retirement 2030 - 81,760 shares | 2,119,230 |
| T. Rowe Price | T. Rowe Price Retirement 2020 - 91,918 shares | 2,071,838 |
| T. Rowe Price | T. Rowe Price Retirement 2015 - 109,312 shares | 1,637,493 |
| T. Rowe Price | T. Rowe Price Retirement 2035 - 73,940 shares | 1,402,650 |
| T. Rowe Price | T. Rowe Price Retirement 2025 - 59,449 shares | 1,045,706 |
| T. Rowe Price | T. Rowe Price Balanced - 40,642 shares | 988,825 |
| T. Rowe Price | T. Rowe Price Retirement 2045 - 43,041 shares | 794,964 |
| • Fidelity Investments Institutional Operations Company, Inc. | Overseas - 14,767 shares | 748,670 |
| • Fidelity Investments Institutional Operations Company, Inc. | Spartan U.S. Bond Index Advantage - 57,975 shares | 671,925 |
| Metropolitan West | MetWest Total Return Bond I - 59,197 shares | 631,043 |
| T. Rowe Price | T. Rowe Price Retirement 2040 - 22,416 shares | 610,619 |
| • Fidelity Investments Institutional Operations Company, Inc. | Fidelity Spartan 500 Index Advantage - 6,398 shares | 597,931 |
| American Beacon | American Beacon Large Cap Fund - 22,020 shares | 596,525 |
| Morgan Stanley | MSIF Growth I - 12,445 shares | 518,352 |
| Northern Funds | Northern Small Cap Index - 35,327 shares | 481,148 |
| John Hancock | John Hancock Enterprise I - 3,799 shares | 449,165 |
| Diamond Hill | Diamond Hill Mid Cap I Fund - 26,817 shares | 367,392 |
| Columbia | Columbia Mid Cap Index Z - 16,517 shares | 272,036 |
| T. Rowe Price | T. Rowe Price Retirement 2050 - 16,295 shares | 252,895 |
| T. Rowe Price | T. Rowe Price QM U.S. Small Cap Growth Equity Fund - 6,795 shares | 237,066 |
| T. Rowe Price | T. Rowe Price Retirement 2055 - 13,057 shares | 203,426 |
| Vanguard | Vanguard Small Cap Index Inv - 6,365 shares | 202,519 |
| • Fidelity Investments Institutional Operations Company, Inc. | Spartan International Index Advantage - 4,514 shares | 194,898 |
| T. Rowe Price | T. Rowe Price Retirement 2010 - 10,106 shares | 184,729 |
| Collective trust fund: | | <u>\$ 20,223,409</u> |
| • Fidelity Investments Institutional Operations Company, Inc. | Managed Income Portfolio Fund - 1,042,266 shares | <u>\$ 1,039,297</u> |
| • Participants | Notes receivable with varying maturities, bearing interest rates varying from 4.25% to 5.25% | <u>\$ 355,055</u> |

* Party named is a party-in-interest.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

**Financial Statements and Supplemental Schedule
With Independent Auditor's Report**

December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the 401(k) Committee
O-AT-KA Milk Products Cooperative, Inc.
Retirement Plan
Batavia, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of O-AT-KA Milk Products Cooperative, Inc. Retirement Plan (the Plan) which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2017 and 2016, and for the years then ended, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule, Schedule H, Line 4i – Schedule of assets (held at end of year) as of December 31, 2017, is required by the DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

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



CERTIFIED PUBLIC ACCOUNTANTS

July 3, 2018

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2017 and 2016**

| ASSETS | 2017 | 2016 |
|--|----------------------|----------------------|
| Investments, at fair value: | | |
| Mutual funds | \$ 20,223,409 | \$ 17,341,805 |
| Collective trust fund | 1,042,266 | 402,268 |
| | <u>21,265,675</u> | <u>17,744,073</u> |
| Notes receivable from participants | 355,055 | 383,701 |
| | <u>355,055</u> | <u>383,701</u> |
| Net assets available for benefits | \$ 21,620,730 | \$ 18,127,774 |

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2017 and 2016**

| | 2017 | 2016 |
|--|----------------------|----------------------|
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | \$ 2,459,665 | \$ 523,383 |
| Interest and dividends | 974,119 | 633,123 |
| | <u>3,433,784</u> | <u>1,156,506</u> |
| Interest income on notes receivable from participants | <u>16,196</u> | <u>12,957</u> |
| Contributions: | | |
| Participants | 776,206 | 705,723 |
| Employer | 862,579 | 797,465 |
| Rollover | 113,330 | 123,560 |
| | <u>1,752,115</u> | <u>1,626,748</u> |
| Total additions | <u>5,202,095</u> | <u>2,796,211</u> |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants or beneficiaries | 1,862,414 | 530,157 |
| Administrative expenses | 5,986 | 5,918 |
| Total deductions | <u>1,868,400</u> | <u>536,075</u> |
| Net increase in net assets available for benefits | <u>3,333,695</u> | <u>2,260,136</u> |
| Net assets available for benefits: | | |
| Beginning of year | 18,127,774 | 15,647,273 |
| Transfer of assets from O-AT-KA Milk Products Cooperative, Inc. 401(k) Plan for Union Employees | <u>159,261</u> | <u>220,365</u> |
| End of year | <u>\$ 21,620,730</u> | <u>\$ 18,127,774</u> |

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 1. Plan Description

The following description of O-AT-KA Milk Products Cooperative, Inc. Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan sponsored by O-AT-KA Milk Products Cooperative, Inc. (the Cooperative) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The 401(k) Committee is responsible for oversight of the Plan, determines the appropriateness of the Plan's investment offerings, and monitors investment performance.

Eligibility:

Employees of the Cooperative who are not covered by the Cooperative's collective bargaining arrangement with Teamsters Local 118 are eligible to participate in the Plan. Participants are eligible to receive Cooperative contributions upon hire date.

Contributions:

Participants may make voluntary pre-tax and/or Roth contributions to the Plan of up to 60% of their annual eligible compensation, as defined. Participants who are fifty years and older before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollover).

The Plan provides for Cooperative matching, non-elective safe harbor and discretionary contributions to eligible participants. Cooperative matching contributions are provided equal to 50% of participant contributions, excluding catch-up contributions, up to a maximum of 4% of the participant's eligible compensation, as defined by the Plan. Cooperative matching contributions amounted to \$147,639 and \$125,570 for the years ended December 31, 2017 and 2016, respectively. The Cooperative provides non-elective safe harbor contributions equal to 3% of eligible compensation which amounted to \$293,069 and \$251,926 for the years ended December 31, 2017 and 2016, respectively. The Cooperative's Board of Directors provided discretionary contributions equal to 5% of the participant's eligible compensation, which amounted to \$421,871 and \$419,969 for the years ended December 31, 2017 and 2016, respectively.

Contributions are subject to certain limitations under the provisions of the Internal Revenue Code (the Code). Participants direct the investment of contributions into various investment options offered by the Plan.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 1. Plan Description (Continued)

Participant accounts:

Each participant's account is credited with the participant's contributions, Cooperative contributions, an allocation of Plan earnings, reduced for benefits paid or transferred, and charged directly for loan origination and benefit processing fees, if applicable. Allocations of Plan earnings are based on the investments held by the participant. The benefit to which a participant is entitled is limited to that which can be provided from the participant's vested account.

Vesting:

Participants are immediately vested in their voluntary and Cooperative contributions, plus earnings thereon.

Payment of benefits:

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or periodic payments. Distributions are also permitted in the event of financial hardship, as defined by the Plan, and for participants who have attained age 59½.

Notes receivable from participants:

Participants may borrow a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account. The loans are secured by the balance in the participant's account and bear interest at a rate determined by the 401(k) Committee. Loans must be repaid in at least quarterly installments over a maximum term of five years for personal loans and ten years for the purchase of a participant's primary residence. Principal and interest are paid ratably through payroll deductions. Delinquent loans generally 90 days past due are considered to be in default. Loans are secured by the balance in the participant's account.

Administrative expenses:

Certain expenses of maintaining the Plan are paid directly by the Cooperative and are excluded from these financial statements. The Plan pays for fees related to the origination of notes receivable from participants and benefit processing fees which are charged directly to the participant's account. The Plan also pays for certain recordkeeping fees. Investment expenses related to fund management are included in net appreciation in fair value of investments.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 2. Significant Accounting Policies

Basis of accounting:

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

Investment valuation and income recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The Plan's 401(k) Committee determines the Plan's valuation policies utilizing information provided by the trustee. See Note 4 for discussion of fair value measurements.

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

Notes receivable from participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are recorded as distributions on the basis of the terms of the Plan document.

Benefits:

Benefits are recorded when paid.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the 401(k) Committee to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent events:

Subsequent events have been evaluated through July 3, 2018, which is the date the financial statements were available to be issued.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 3. Information Certified by the Plan's Trustee

The 401(k) Committee has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following table presents the assets of the Plan that have been certified as complete and accurate by Fidelity Management Trust Company (FMTC) at December 31, 2017 and 2016:

| | 2017 | 2016 |
|------------------------------------|----------------------|----------------------|
| Investments at fair value: | | |
| Mutual funds | \$ 20,223,409 | \$ 17,341,805 |
| Collective trust fund | 1,042,266 | 402,268 |
| | <u>\$ 21,265,675</u> | <u>\$ 17,744,073</u> |
| Notes receivable from participants | <u>\$ 355,055</u> | <u>\$ 383,701</u> |

FMTC has also certified to the completeness and accuracy of the following financial information for the years ended December 31, 2017 and 2016:

| | 2017 | 2016 |
|---|---------------------|---------------------|
| Investment income: | | |
| Net appreciation in fair value of investments | \$ 2,459,665 | \$ 523,383 |
| Interest and dividends | 974,119 | 633,123 |
| | <u>\$ 3,433,784</u> | <u>\$ 1,156,506</u> |
| Interest income on notes receivable from participants | <u>\$ 16,196</u> | <u>\$ 12,957</u> |

Note 4. Fair Value Measurements

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 4. Fair Value Measurements (Continued)

The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

The 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, 2017 or 2016:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The funds held by the Plan are deemed to be actively traded.

Collective trust fund: Valued at the NAV of units of a collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is generally based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. The Plan's investment in the collective trust fund has a daily redemption frequency, a 12 month redemption notice period and has no unfunded commitments at December 31, 2017 and 2016.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 4. Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value at December 31, 2017 and 2016. The classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

| | 2017 | | | Total |
|--|----------------------|-------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | |
| Mutual funds | <u>\$ 20,223,409</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,223,409</u> |
| Collective trust fund measured at NAV ^(a) | | | | <u>1,042,266</u> |
| Total investments, at fair value | | | | <u>\$ 21,265,675</u> |

| | 2016 | | | Total |
|--|----------------------|-------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | |
| Mutual funds | <u>\$ 17,341,805</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,341,805</u> |
| Collective trust fund measured at NAV ^(a) | | | | <u>402,268</u> |
| Total investments, at fair value | | | | <u>\$ 17,744,073</u> |

(a) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Note 5. Plan Termination

Although it has not expressed any intent to do so, the Cooperative has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will be entitled to the entire amount credited to their accounts.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 6. Tax Status

The Plan adopted a non-standardized form of a prototype plan sponsored by Fidelity Management and Research Company. The prototype plan has received an opinion letter from the Internal Revenue Service (IRS) as to the prototype plan's qualified status dated March 31, 2014. The prototype plan opinion letter has been relied upon by this Plan. The 401(k) Committee believes the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The 401(k) Committee has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The 401(k) Committee believes it is no longer subject to income tax examinations for years prior to 2014.

Note 7. Party-In-Interest Transactions

A party-in-interest is defined under the Department of Labor's regulations as any fiduciary of the Plan, any party rendering services to the Plan, the employer, certain participants, and others. The Plan allows participants to take loans from their accounts in the Plan. Certain notes receivable from participants and income thereon qualify as party-in-interest transactions.

Certain Plan investments are shares of mutual funds and a collective trust fund managed by Fidelity Investments Institutional Operations Company, Inc. (FIIOC), an affiliate of FMTC. FMTC is the trustee as defined by the Plan and, therefore, transactions within these investment funds qualify as party-in-interest transactions.

FIIOC provides administrative services and Strategic Advisers, Inc. (Strategic Advisers), an affiliate of FMTC, provides investment advisory services to the Plan and, therefore, transactions with FIIOC and Strategic Advisers also qualify as party-in-interest transactions. Administrative expenses paid by the Plan for these services amounted to \$5,986 and \$5,918 for the years ended December 31, 2017 and 2016, respectively.

Indirect fees paid by the Plan to the various investment managers are included in net appreciation in fair value of investments as they are paid through revenue sharing, rather than a direct payment from the Plan.

**O-AT-KA MILK PRODUCTS COOPERATIVE, INC.
RETIREMENT PLAN**

NOTES TO FINANCIAL STATEMENTS

Note 8. Risks and Uncertainties

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

Note 9. Reconciliation of Differences between these Financial Statements and the Financial Information Required on Form 5500

| | As of December 31, 2017 | As of December 31, 2016 |
|--|---|---|
| Net assets available for benefits as presented in these financial statements | \$ 21,620,730 | \$ 18,127,774 |
| Difference in methodology used to determine the fair value of the collective trust fund as reported on Form 5500 and that was used in these financial statements | (2,969) | 990 |
| Net assets available for benefits as presented on Form 5500 | \$ 21,617,761 | \$ 18,128,764 |
| | For the Year Ended December 31, 2017 | For the Year Ended December 31, 2016 |
| Net increase in net assets available for benefits as presented in these financial statements | \$ 3,333,695 | \$ 2,260,136 |
| Net difference in methodology used to determine the fair value of the collective trust fund as reported on Form 5500 and that was used in these financial statements | (3,959) | (955) |
| Net increase in net assets available for benefits as presented on Form 5500 | \$ 3,329,736 | \$ 2,259,181 |

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