## Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation

Department of Labor

# Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.

OMB Nos. 1210-0110 1210-0089

2017

This Form is Open to Public Inspection

Part I	Annual Report lo	dentification Information				
For calend	lar plan year 2017 or fisc	cal plan year beginning 01/01/201	7	and ending 12	2/31/2017	
A This re	turn/report is for:	x a single-employer plan		olan (not multiemployer) (l mployer information in ac	_	
D. Tri	[	a one-participant plan	a foreign plan			
<b>B</b> This ret	urn/report is	the first return/report	the final return/report			
		an amended return/report	a short plan year retu	rn/report (less than 12 me	onths)	
C Check	box if filing under:	X Form 5558	automatic extension		DFVC progra	m
		special extension (enter descript	ion)			
Part II	Basic Plan Infor	mation—enter all requested infor	mation			
1a Name KEY SURGI	of plan ICAL, INC. CASH BALAI	NCE PLAN			<b>1b</b> Three-diginal plan number (PN) ▶	
					1c Effective of	late of plan 01/01/2011
		er, if for a single-employer plan)	Paul .			Identification Number
		, apt., suite no. and street, or P.O. E , country, and ZIP or foreign postal (		tructions)	(EIN)	41-1615197
KEY SURGI	•		, ,	,		telephone number 52-914-9789
					2d Business	code (see instructions)
8101 WALLA						339110
EDEN FRAII	RIE, MN 55344					
<b>3a</b> Plan a	administrator's name and	address X Same as Plan Sponso	or.		<b>3b</b> Administra	itor's EIN
					<b>3c</b> Administra	itor's telephone number
		plan sponsor or the plan name has sor's name, EIN, the plan name and			4b EIN	
<b>a</b> Spons	sor's name				4d PN	
C Plan N	Name					
<b>5a</b> Total	number of participants a	at the beginning of the plan year			5a	46
<b>b</b> Total	number of participants a	It the end of the plan year			5b	47
		ccount balances as of the end of the			5c	
<b>d(1)</b> Tot	al number of active parti	icipants at the beginning of the plan	year		5d(1)	42
<b>d(2)</b> Tot	tal number of active parti	icipants at the end of the plan year.			5d(2)	44
		erminated employment during the p			5e	0
Caution: A	A penalty for the late or	r incomplete filing of this return/re	eport will be assessed	d unless reasonable cau		
SB or Sche		er penalties set forth in the instruction d signed by an enrolled actuary, as vete.				
SIGN	Filed with authorized/va	alid electronic signature.	10/03/2018	JOHN SAVAGE		
HERE	Signature of plan ad	ministrator	Date	Enter name of individu	ual signing as pla	an administrator
SIGN	Filed with authorized/v	alid electronic signature.	10/03/2018	JOHN SAVAGE		
HERE	Signature of employ	er/plan sponsor	Date	Enter name of individu	ual signing as en	nployer or plan sponsor

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_	Were all of the plan's assets during the plan year invested in eligib			X Yes No				
D	Are you claiming a waiver of the annual examination and report of under 29 CFR 2520.104-46? (See instructions on waiver eligibility	•	,	X Yes No				
	If you answered "No" to either line 6a or line 6b, the plan cann							
С	If the plan is a defined benefit plan, is it covered under the PBGC ir	nsurance p	rogram (see ERISA se	ection 4	021)?	X	Yes No Not determined	
	If "Yes" is checked, enter the My PAA confirmation number from th	e PBGC p	remium filing for this p	lan yea	r		4041070. (See instructions.)	
Day	t III Financial Information							
7	Plan Assets and Liabilities		(a) Danimnin a	-f V			(h) Fod of Voor	
		7-	(a) Beginning o	or Year 56398	<del>  </del> -		(b) End of Year 1380818	
-	Total plan liabilities	7a	140	0			0	
	Total plan liabilities  Net plan assets (subtract line 7b from line 7a)	7b	1/1	56398	<del>  </del> -		1380818	
<u>с</u> 8	,	7c						
	Income, Expenses, and Transfers for this Plan Year  Contributions received or receivable from:		(a) Amoun	it			(b) Total	
u	(1) Employers	8a(1)						
	(2) Participants	8a(2)						
	(3) Others (including rollovers)	8a(3)						
b	Other income (loss)	8b	14	48502				
С	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c					148502	
d	Benefits paid (including direct rollovers and insurance premiums		0.0	22000				
	to provide benefits)	8d		23962	_			
	Certain deemed and/or corrective distributions (see instructions)	8e		120				
	Administrative service providers (salaries, fees, commissions)	8f		120	$\dashv$			
	Other expenses	. 8g					224002	
	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h					224082	
	Net income (loss) (subtract line 8h from line 8c)	. 8i					-75580	
	Transfers to (from) the plan (see instructions)	8j						
_	t IV Plan Characteristics	f t	de a francisco de a L'act of Di	01		-1:- 0-	des la disclassion d'acc	
9a	If the plan provides pension benefits, enter the applicable pension 1A 1C 1I	reature co	ides from the list of Pi	an Cha	racteri	Stic Co	des in the instructions:	
b	If the plan provides welfare benefits, enter the applicable welfare for	eature cod	les from the List of Pla	n Chara	acterist	ic Cod	es in the instructions:	
Par	t V Compliance Questions				T			
10	During the plan year:				Yes	No	Amount	
а	Was there a failure to transmit to the plan any participant contributed described in 29 CFR 2510.3-102? (See instructions and DOL's V							
	Program)	-		10a		X		
b	Were there any nonexempt transactions with any party-in-interest reported on line 10a.)			10b		X		
С	Was the plan covered by a fidelity bond?			10c	Х		292000	
d	Did the plan have a loss, whether or not reimbursed by the plan's by fraud or dishonesty?			10d		X		
е	Were any fees or commissions paid to any brokers, agents, or oth carrier, insurance service, or other organization that provides som the plan? (See instructions.)	ner person ne or all of	s by an insurance the benefits under	10e		X		
f	· · · · · · · · · · · · · · · · · · ·	as the plan failed to provide any benefit when due under the plan?						
g				10f 10g		X		
h	If this is an individual account plan, was there a blackout period? 2520.101-3.)	•		10h				
i	If 10h was answered "Yes," check the box if you either provided the exceptions to providing the notice applied under 29 CFR 2520.10			10i				

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Part	VI Pension Funding Compliance				
11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Sc (Form 5500) and line 11a below)		8B	X	es No
11a	Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	11a			0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or secti ERISA?(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	on 302 o	f 	Y	es X No
а	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, as granting the waiver		the date		ruling
lf :	you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.				
b	Enter the minimum required contribution for this plan year	. 12b			
С	Enter the amount contributed by the employer to the plan for this plan year	. 12c			
d	Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d			
е	Will the minimum funding amount reported on line 12d be met by the funding deadline?		Yes	No	N/A
Part	VII Plan Terminations and Transfers of Assets				
13a	Has a resolution to terminate the plan been adopted in any plan year?		X Yes	S No	ı
	If "Yes," enter the amount of any plan assets that reverted to the employer this year	. 13a			(
b	Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	e		Yes X	No
С	If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan( which assets or liabilities were transferred. (See instructions.)	s) to			
1	<b>13c(1)</b> Name of plan(s): 13c(	2) EIN(s)		13c(3)	PN(s)

# **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

2017

This Form is Open to Public Inspection

Fo	or calendar plan year 2017 or fiscal plan year beginning 01/01/2017		and endin	g 12/3	31/2017	
•	Round off amounts to nearest dollar.					
<u> </u>	Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable.	sonable cau	ise is establishe	d.		
	Name of plan		B Three-di	git		
	KEY SURGICAL, INC. CASH BALANCE PLAN		plan num	ber (PN	) <b>•</b>	002
С	Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF		<b>D</b> Employer	Identific	ation Number (E	EIN)
	KEY SURGICAL LLC		, ,	41-16	,	,
E	Type of plan: X Single Multiple-A Multiple-B F Prior year	plan size:	100 or fewer	101-	-500 More th	nan 500
F	Part I Basic Information					
1	Enter the valuation date: Month Day Year	2017			1	
2	Assets:					
	<b>a</b> Market value			. 2a		1455380
	<b>b</b> Actuarial value			. 2b		1455380
3	Funding target/participant count breakdown		Number of rticipants		sted Funding Target	(3) Total Funding Target
	<b>a</b> For retired participants and beneficiaries receiving payment		0		0	0
	<b>b</b> For terminated vested participants		4		5582	5582
	C For active participants		46		1177570	1185198
	<b>d</b> Total		50		1183152	1190780
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>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for at-risk status for fewer than five consecutive years and disregarding loading fact			4b		
5	Effective interest rate			5		5.82 %
6	Target normal cost			6		30981
Sta	tement by Enrolled Actuary					
	To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statement accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into combination, offer my best estimate of anticipated experience under the plan.					
	SIGN					
ı	HERE				05/24/201	8
	Signature of actuary				Date	
(	CHARLES E. TALBERT				17-04922	2
	Type or print name of actuary			Most	recent enrollme	nt number
L	URIE, LLP				612-377-44	-04
2	Firm name		Te	elephone	number (includ	ing area code)
	MINNEAPOLIS, MN 55405					
	Address of the firm		<u> </u>			
If the	e actuary has not fully reflected any regulation or ruling promulgated under the statute	in complet	ing this schedule	e, check	the box and see	е П
	ructions	•	~			

Relation of the property of	Р	art II	Begir	ning of Year	Carryov	er and Prefunding I	Balances								
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)  9 Amount remaining (line 7 minus line 8)	7	Б.		. , .	<i>c.</i> !!				(a) C	arryover balance	9	(b) F	Prefundi	ng bala	nce
9 Amount remaining (line 7 minus line 8)	1		•	0 , ,		,					0				0
Amount remaining (line 7 minus line 8)	8	Portion e	lected fo	r use to offset pric	r year's fur	nding requirement (line 35	from prior								
10 Interest on line 8 using prior year's actual return of 4.96 %		year)		·			·				0				0
11 Prior year's excess contributions to be added to prefunding balance:  a Present value of excess contributions (line 38a from prior year).  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								+			0				0
a Present value of excess contributions (line 38a from prior year)											0				0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schodule SB, using prior year's effective interest rate of \$327.6 \\ b(2) Interest on line 38b from prior year's effective interest rate of \$327.6 \\ c Total available at beginning of current plan year to add to prefunding balance	11	-													
b(2) Interest on line 38b from prior year's effective interest rate of 5.97%.  b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return					,			•						274	227
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return retu														16	271
C Total available at beginning of current plan year to add to prefunding balance		<b>b(2)</b> Inte	erest on I	ine 38b from prior	year Sche	dule SB, using prior year's	s actual							10	371
d Portion of (c) to be added to prefunding balance															
12 Other reductions in balances due to elections or deemed elections														290	598
Part III   Funding Percentages   14   122.22%		<b>a</b> Portion	of (c) to	be added to prefi	unding bala	ance		•							0
Part III Funding Percentages  14 Funding target attainment percentage	12 Other reductions in balances due to elections or deemed elections										0				
14 Funding target attainment percentage			at beginn	ing of current yea	r (line 9 + l	ine 10 + line 11d – line 12	)				0				0
15 Adjusted funding target attainment percentage	F	Part III	Fun	ding Percenta	ages									ı	
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement															
117.40%   117													15	12	22.22%
17   If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.   17   %	16												16	11	17.40%
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 (MM-DD-YYYY) (b) Amount paid by employees (MM-DD-YYYY) (b) Amount paid by employees (MM-DD-YYYY) (b) Amount paid by employees (MM-DD-YYYY) (c) Amount paid by employees (MM-DD-YYYY) (d) Amount paid by employees (d) Amount paid by employees (d) Amount paid by employer (d) Amount paid by employees (d) Amount paid by	17												17		%
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 (MM-DD-YYYY) (b) Amount paid by employees (MM-DD-YYYY) (b) Amount paid by employees (MM-DD-YYYY) (b) Amount paid by employees (MM-DD-YYYY) (c) Amount paid by employees (MM-DD-YYYY) (d) Amount paid by employees (d) Amount paid by employees (d) Amount paid by employer (d) Amount paid by employees (d) Amount paid by	Р	Part IV	Con	tributions an	d Liquid	ity Shortfalls									
(MM-DD-YYYY) employer(s) employees (MM-DD-YYYY) employer(s) employees  Totals ▶ 18(b) 0 18(c)  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 contributions from prior year adjusted to valuation date. 19c 0  20 Quarterly contributions and liquidity shortfalls:	18	Contribut	ions mad	de to the plan for t	he plan ye	ar by employer(s) and emp	ployees:								
Totals ► 18(b) 0 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 0  Quarterly contributions and liquidity shortfalls:	(1											(0			by
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 0  Quarterly contributions and liquidity shortfalls:	(1	WIIWI-DD-T	111)	cinployer	(3)	стрюусса	(IVIIVI-L	ויטי	,	спрюус	(3)		Cilipi	Зуссз	
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 0  Quarterly contributions and liquidity shortfalls:															
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 0  Quarterly contributions and liquidity shortfalls:															
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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 0  Quarterly contributions and liquidity shortfalls:															
a Contributions allocated toward unpaid minimum required contributions from prior years.  b Contributions made to avoid restrictions adjusted to valuation date.  c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.  19a  19b  0  19c  0  20 Quarterly contributions and liquidity shortfalls:  a Did the plan have a "funding shortfall" for the prior year?							Totals 1	<b>&gt;</b>	18(b)			0 18(c)			0
b Contributions made to avoid restrictions adjusted to valuation date	19		•			•									
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date		_				·				-					0
20 Quarterly contributions and liquidity shortfalls:  a Did the plan have a "funding shortfall" for the prior year?					•					-					
a Did the plan have a "funding shortfall" for the prior year?	20					red contribution for current y	year adjusted	to va	aluation d	ate	19C				0
	∠0	,				e prior vear?					_			Vec	X No
D It line 200 is "Vee " were required quarterly installments for the current year made in a timely manner?				_									□	l	╡
				·			•		uriely ma	aiiilei ?	 آ		Ц	res	INO
		C If line 2	∠∪a is "Y	es," see instruction	ns and con	-			nis plan v	/ear					
(1) 1st (2) 2nd (3) 3rd (4) 4th	12 Other reductions in balances due to elections or deemed elections							(4) 4th	1						

P	art V	Assumpti	ons Used to Determine	Funding Target and Target	get Normal Cost		
21	Discount	rate:					
	<b>a</b> Segme	ent rates:	1st segment: 4.16%	2nd segment: 5.72 %	3rd segment: 6.48 %		N/A, full yield curve used
	<b>b</b> Applica	able month (er	iter code)			21b	4
22	Weighted	average retire	ement age			22	65
23	Mortality	table(s) (see i	nstructions) X Pres	cribed - combined Pres	cribed - separate	Substitu	ite
Pa	art VI	Miscellane	ous Items				
24		•	•	arial assumptions for the current p	•		· ·
25	Has a me	thod change b	peen made for the current plar	n year? If "Yes," see instructions i	egarding required attach	ment	Yes X No
26	Is the pla	n required to p	provide a Schedule of Active P	articipants? If "Yes," see instructi	ons regarding required a	ittachmen	tX Yes No
27				r applicable code and see instruct		27	<del></del>
Pi	art VII	Reconcilia	ation of Unpaid Minim	um Required Contribution	s For Prior Years		
			•	ears		28	0
29	Discounte	ed employer co	ontributions allocated toward u	unpaid minimum required contribu	tions from prior years	29	0
30	Remainin	g amount of u	npaid minimum required conti	ibutions (line 28 minus line 29)		30	0
Pa	art VIII	Minimum	Required Contribution	For Current Year			
31			l excess assets (see instruction				
	<b>a</b> Target r	normal cost (li	ne 6)			31a	30981
	<b>b</b> Excess	assets, if app	licable, but not greater than lir	ne 31a		31b	30981
32	Amortizat	ion installmen	ts:		Outstanding Bala	nce	Installment
	<b>a</b> Net sho	ortfall amortiza	tion installment			0	0
	<b>b</b> Waiver	amortization i	nstallment			0	0
33	If a waive (Month _	r has been ap	proved for this plan year, ente ay Year	r the date of the ruling letter grant ) and the waived amount	ing the approval	33	
34	Total fund	ding requireme	ent before reflecting carryover	prefunding balances (lines 31a - 3	31b + 32a + 32b - 33)	34	0
				Carryover balance	Prefunding balan	ice	Total balance
35			e to offset funding	0		0	0
36	-					36	0
37	Contribut	ions allocated	toward minimum required cor	tribution for current year adjusted	to valuation date (line	37	0
38			s contributions for current year			ļ	
				(000		38a	0
			•	efunding and funding standard ca		38b	0
39			•	r (excess, if any, of line 36 over li	•	39	0
40	Unpaid m	inimum requir	ed contributions for all years			40	0
Pa	rt IX	Pension	Funding Relief Under I	Pension Relief Act of 2010	) (See Instructions	5)	
41	If an elect	ion was made	to use PRA 2010 funding reli	ef for this plan:			
	<b>a</b> Schedu	le elected					2 plus 7 years 15 years
	<b>b</b> Eligible	plan year(s) f	or which the election in line 41	a was made		20	<del>'                                    </del>
42						42	<u> </u>
43	Excess in	stallment acce	eleration amount to be carried	over to future plan years		43	

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

Plan: Key Surgical, Inc. Cash Balance Plan

EIN/PN: 41-1615197 / 002

Age	Assumed Rate	Weighted Age
65	100.00%	65.0
		65.0

The assumed rate of retirement is adjusted for the assumed prior retirements and multiplied by the expected retirement age. The resulting amounts are summed to develop the weighted average.

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

Plan: Key Surgical, Inc. Cash Balance Plan

EIN/PN: 41-1615197 / 002

## **Investment Return**

	<u>Pre-Retirement</u>	Post-Retirement
1st Segment	4.16%	4.16%
2nd Segment	5.72%	5.72%
3rd Segment	6.48%	6.48%
Interest Crediting Rate (ICR)	4.00%	4.00%
Assumed ICR for Funding	4.25%	4.25%
Salary Scale	0.00%	N/A
PPA Effective Rate	5.82%	5.82%
For determination of maximum dec	duction comment rates of 1 520/	2 00/ / 700/ ware used

For determination of maximum deduction, segment rates of 1.52%, 3.8%, 4.79% were used.

## **Explicit Provision for Expenses**

Administrative expenses are assumed to be \$0.

## **Assumed Form of Distribution**

Lump sum equal to the Hypothetical Account Balance. Funding Target is equal to the Hypothetical Account Balance increased with interest to retirement using the Interest Credit Rate and discounted to the valuation date using the appropriate segment rate.

## **Mortality Rates**

	Pre-Retirement	Post-Retirement*
Funding	None	2017 Small plan sex distinct
Actuarial Equivalence	None	2017 Applicable

<sup>\*</sup>No Post-Retirement mortality improvement has been assumed.

## **Disability Rates**

None.

### **Withdrawal Rates**

None.

## **Retirement Age**

Participants are assumed to retire on their Normal Retirement Date.

## **Actuarial Value of Assets**

Market Value as reported by the sponsor.

### Marriage Rates

None.

## **Changes in Methods or Assumptions**

Assumptions were changed as required to comply with the Pension Protection Act.

# Schedule SB, Part V Summary of Plan Provisions

Plan: Key Surgical, Inc. Cash Balance Plan

EIN/PN: 41-1615197 / 002

### **Employer and Plan Data**

Initial Effective Date
Plan Year Begins
Plan Year Ends
Valuation Date

January 1, 2011
January 1, 2017
December 31, 2017
January 1, 2017

## **Eligibility Requirements**

Service One year

Entry Dates Immediate upon entry

Age 2°

Excluded Groups Commissioned HCE, Nonresident Aliens, Collectively Bargained

Employees, Employees of Affiliated Employers and Leased Employees

#### **Normal Retirement Age**

Attainment of age 65.

## **Retirement Benefits**

Actuarial Equivalent of the Participant's Hypothetical Account Balance.

## **Hypothetical Account**

A theoretical account that is maintained for each participant. Each account is credited annually with interest at the greater of 4% and the 30 Year Treasury Bill rate in effect for the fifth month preceding the valuation date, and an allocation following the terms of the Plan Document.

### Vesting

100% vested upon completion of three years of vesting service.

## **Death**

100% of the Participant's Hypothetical Account.

### Disability

100% of the Participant's Hypothetical Account.

## **Plan Amendments**

Amended to freeze participation and accruals effective June 16, 2017 and adopted June 1, 2017. This valuation is taking the plan freeze into consideration per the plan sponsor's desire pursuant to 412(d)(2). The plan change was relected in the determination of the Target Normal Cost.

# Schedule SB, Line 26 Schedule of Active Participant Data

Plan: Key Surgical, Inc. Cash Balance Plan

EIN/PN: 41-1615197 / 002

# 1. ACTIVE PARTICIPANTS

Service/ Age Group	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	3									3
25-29	7	2								9
30-34	3	2								5
35-39	8	5								13
40-44	2	1								3
45-49	1	2								3
50-54	3	2								5
55-59		2								2
60-64	2	1								3
65 & Over										0
Totals	29	17	0	0	0	0	0	0	0	46

## SB ACTUARY SIGNATURE

# **SCHEDULE SB** (Form 5500)

Department of the Treasury Internal Revenue Service

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

This schedule is required to be filed under section 104 of the Employee

2017

OMB No. 1210-0110

·	Department of Labor oloyee Benefits Security Administration ension Benefit Guaranty Corporation		ternal R	evenue Code (the	e Ćode).		he	Th		is Open to Public spection
For cal	lendar plan year 2017 or fiscal pla			hment to Form 01/01/2017	5500 or	5500-SF. and ending	<u> </u>	······	12/3	1/2017
	und off amounts to nearest doll			/ ( _ / _ ( _ / _ / _ / _ / _ / _ / _		and onding			12/5	_,
Ca	ution: A penalty of \$1,000 will be	assessed for late filing of	this repo	ort unless reason	able cau	se is established	i.			
A Nam	ne of plan					B Three-dig	jit			
Key	Surgical, Inc. Cash	Balance Plan				plan num	ber (PN	l)	<u> </u>	002
	n sponsor's name as shown on line Surgical, LLC	e 2a of Form 5500 or 5500	0-SF			<b>D</b> Employer 41-1615		ation N	lumber (E	EIN)
Е Туре	e of plan: 🏻 Single 📗 Multiple-	A Multiple-B		<b>F</b> Prior year pla	n size: 🏻	100 or fewer	101 <sub>-</sub>	-500 [	More th	nan 500
Part	t I Basic Information		•							
	inter the valuation date:	Month 1 Da	ау	1Year <i>2</i>	2017					-
<b>2</b> A	ssets:									
а	Market value						2a			1,455,380
b	Actuarial value						2b			1,455,380
<b>3</b> F	unding target/participant count bre	eakdown			٠,	Number of rticipants	(2) Ve	sted F Target		(3) Total Funding Target
а	For retired participants and bene	ficiaries receiving paymen	ıt			0			0	0
b	For terminated vested participant	ts				4		5	,582	5,582
С	For active participants					46	1	.,177	,570	1,185,198
d	Total					50	1	,183	,152	1,190,780
4 If	the plan is in at-risk status, check	the box and complete line	es (a) aı	nd (b)	[					
а	Funding target disregarding pres	cribed at-risk assumptions	S		,		4a			
b	Funding target reflecting at-risk a at-risk status for fewer than five o						4b			
<b>5</b> E	ffective interest rate						5			5.82%
<b>6</b> T	arget normal cost						6	i.		.30,981
To th	nent by Enrolled Actuary the best of my knowledge, the information sup- ordance with applicable law and regulations. I bination, offer my best estimate of anticipated	n my opinion, each other assumpti	anying sch	nedules, statements ar onable (taking into acc	d attachme ount the exp	nts, if any, is complete perience of the plan a	and acco	ırate. Ead able expo	ch prescribe ectations) ar	d assumption was applied in nd such other assumptions, in
SIC HE	GN RE	CET						05,	/24/20	)18
	S	ignature of actuary							Date	
Char	rles E. Talbert				·			1	7-0492	22
	· .	or print name of actuary					Most			ent number
Luri	Le, LLP					_		(612	) 377-	4404
2501	Wayzata Boulevard	Firm name				Те	lephon	e numb	er (includ	ding area code)
Minn	neapolis	Address of the firm	MN	55405		_				
							*******			
If the ac	ctuary has not fully reflected any re	egulation or ruling promulg	gated un	der the statute in	complet	ing this schedule	e, checi	the bo	ox and se	e 📙

Page 2	-				
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	Schedule	SB (Form 5500) 2017			Page <b>2</b> -				
Р	art II Begi	nning of Year Carryov	ver and Prefunding Ba	alances		, 924-4664			
	<u></u>	9 0	9 2.		(a) C	arryover balance	(b)	Prefund	ing balance
7 		ning of prior year after applic	•	•			0		0
8		or use to offset prior year's fu	•				0		0
9	Amount remainin	g (line 7 minus line 8)					0		0
10	Interest on line 9	using prior year's actual retu	ırn of <u>4.96</u> %				0		0
11	Prior year's exce	ss contributions to be added	to prefunding balance:						
	a Present value	of excess contributions (line	38a from prior year)						274227
		the excess, if any, of line 38aB, using prior year's effective							1.6271
	b(2) Interest on	line 38b from prior year Scho	edule SB, using prior year's	actual					16371
									0
		at beginning of current plan yea	, ,						290598
	d Portion of (c) to	be added to prefunding bal	ance						0
12	Other reductions	in balances due to elections	or deemed elections				0		0
13	Balance at begin	ning of current year (line 9 +	line 10 + line 11d - line 12).				0		0
F	Part III Fur	ding Percentages							
14	Funding target at	tainment percentage						14	122.22%
_15	Adjusted funding	target attainment percentage	e					15	122.22%
16 		ng percentage for purposes quirement							117.40%
_17	if the current valu	ie of the assets of the plan is	less than 70 percent of the	funding targ	jet, enter su	ch percentage		17	%
F	Part IV Cor	ntributions and Liquid	lity Shortfalls						
_18	Contributions ma	de to the plan for the plan ye	<del></del>	oyees:					
(I	(a) Date MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		Date D-YYYY)	(b) Amount paid b employer(s)	y		unt paid by loyees
				Totals ▶	18(b)		<sub>0</sub> 18(c	)	0
19	Discounted empl	oyer contributions – see insti	ructions for small plan with a	valuation d	ate after the	beginning of the year:			
	a Contributions	allocated toward unpaid mini	mum required contributions t	from prior ye	ears	19a			0
	<b>b</b> Contributions r	nade to avoid restrictions ad	justed to valuation date			19b			0
	<b>c</b> Contributions a	llocated toward minimum requ	ired contribution for current ye	ear adjusted t	to valuation o	late19c			0
20	Quarterly contrib	utions and liquidity shortfalls:	:						

Liquidity shortfall as of end of quarter of this plan year

(3) 3rd

(4) 4th

 $\boldsymbol{c}\,$  If line 20a is "Yes," see instructions and complete the following table as applicable:

(2) 2nd

(1) 1st

Р	art V	Assumpti	ons Used to Determine	Funding Target and Tar	get Normal Cost				
21	Discount	L							
	<b>a</b> Segme	ent rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %		N/A, fu	ll yield cu	rve used
	<b>b</b> Applica	able month (er	nter code)			21b			4
22	Weighted	average retire	ement age			22	,		65
23	Mortality	table(s) (see	instructions) 🗓 Pres	cribed - combined Pres	cribed - separate	Substitut	te		
Pa	rt VI	Miscellane	ous Items	<del>-</del>					
24				arial assumptions for the current p					es 🛭 No
25	Has a me	thod change l	peen made for the current plan	n year? If "Yes," see instructions i	egarding required attach	ıment		Y	es 🛛 No
26	Is the pla	n required to p	provide a Schedule of Active F	articipants? If "Yes," see instruct	ons regarding required a	attachment	L	🛚 Ye	es 🗌 No
27		•	<u>-</u> .	r applicable code and see instruct		27			
Pa	art VII	Reconcilia	ation of Unpaid Minim	um Required Contribution	s For Prior Years				
28	Unpaid m	inimum requir	ed contributions for all prior ye	ears		28			C
29				ınpaid minimum required contribu	• •	29			C
30	Remainir	ig amount of u	npaid minimum required cont	ributions (line 28 minus line 29)		30			С
Pa	ırt VIII	Minimum	Required Contribution	For Current Year					
31	Target n	ormal cost and	d excess assets (see instruction	ns):					
	<b>a</b> Target	normal cost (li	ne 6)			31a			30,981
	<b>b</b> Excess	assets, if app	licable, but not greater than li	ne 31a		31b			30,981
32	Amortiza	tion installmen	its:		Outstanding Bala	nce	1	nstallmen	t
	a Net she	ortfall amortiza	ation installment			q		***************************************	C
	<b>b</b> Waive	amortization	installment		,	Q			C
33	If a waive (Month _	er has been ap	pproved for this plan year, ente ay Year	er the date of the ruling letter gran) and the waived amount	ing the approval	33			
34	Total fun	ding requireme	ent before reflecting carryover	/prefunding balances (lines 31a -	31b + 32a + 32b - 33)	34			C
				Carryover balance	Prefunding balar	nce	To	tal baland	e
35			se to offset funding	0		0			(
36					1	36			
37	Contribut		toward minimum required cor	ntribution for current year adjusted	to valuation date (line	37			(
38			s contributions for current yea			L			
						38a			C
				refunding and funding standard ca		38b			C
39				ar (excess, if any, of line 36 over li		39			C
40	Unpaid n	ninimum requi	red contributions for all years .			40			C
Pa	rt IX	Pension	Funding Relief Under	Pension Relief Act of 201	) (See Instructions	5)			
41	If an elec	tion was made	e to use PRA 2010 funding reli	ef for this plan:					
***************************************	<b>a</b> Sched	ule elected					2 plus 7 yea	ars 1	5 years
	<b>b</b> Eligible	plan year(s)	for which the election in line 4	1a was made		20	08 2009	2010	2011
42	Amount o	of acceleration	adjustment			42			
43	Excess in	stallment acc	eleration amount to be carried	over to future plan years		43			

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

Plan:

Key Surgical, Inc. Cash Balance Plan

EIN/PN: 4

41-1615197 / 002

Age	Assumed Rate	Weighted Age
65	100.00%	65.0
		65.0

The assumed rate of retirement is adjusted for the assumed prior retirements and multiplied by the expected retirement age. The resulting amounts are summed to develop the weighted average.

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

Plan:

Key Surgical, Inc. Cash Balance Plan

EIN/PN:

41-1615197 / 002

## **Investment Return**

	Pre-Retirement	Post-Retirement
1st Segment	4.16%	4.16%
2nd Segment	5.72%	5.72%
3rd Segment	6.48%	6.48%
Interest Crediting Rate (ICR)	4.00%	4.00%
Assumed ICR for Funding	4.25%	4.25%
Salary Scale	0.00%	N/A
PPA Effective Rate	5.82%	5.82%
For determination of maximum ded	luction, segment rates of 1.52%,	3.8%, 4.79% were used.

## **Explicit Provision for Expenses**

Administrative expenses are assumed to be \$0.

## **Assumed Form of Distribution**

Lump sum equal to the Hypothetical Account Balance. Funding Target is equal to the Hypothetical Account Balance increased with interest to retirement using the Interest Credit Rate and discounted to the valuation date using the appropriate segment rate.

## **Mortality Rates**

	Pre-Retirement	Post-Retirement <sup>a</sup>
Funding	None	2017 Small plan sex distinct
Actuarial Equivalence	None	2017 Applicable

<sup>\*</sup>No Post-Retirement mortality improvement has been assumed.

### **Disability Rates**

None.

# Withdrawal Rates

None.

## **Retirement Age**

Participants are assumed to retire on their Normal Retirement Date.

## **Actuarial Value of Assets**

Market Value as reported by the sponsor.

## Marriage Rates

None.

## **Changes in Methods or Assumptions**

Assumptions were changed as required to comply with the Pension Protection Act.

# Schedule SB, Part V Summary of Plan Provisions

Plan:

Key Surgical, Inc. Cash Balance Plan

EIN/PN:

41-1615197 / 002

### **Employer and Plan Data**

Initial Effective Date Plan Year Begins

January 1, 2011 January 1, 2017

Plan Year Ends Valuation Date December 31, 2017 January 1, 2017

## **Eligibility Requirements**

Service

One year

**Entry Dates** 

Immediate upon entry

Age

21

**Excluded Groups** 

Commissioned HCE, Nonresident Aliens, Collectively Bargained Employees, Employees of Affiliated Employers and Leased Employees

### Normal Retirement Age

Attainment of age 65.

## **Retirement Benefits**

Actuarial Equivalent of the Participant's Hypothetical Account Balance.

### **Hypothetical Account**

A theoretical account that is maintained for each participant. Each account is credited annually with interest at the greater of 4% and the 30 Year Treasury Bill rate in effect for the fifth month preceding the valuation date, and an allocation following the terms of the Plan Document.

## **Vesting**

100% vested upon completion of three years of vesting service.

### <u>Death</u>

100% of the Participant's Hypothetical Account.

## **Disability**

100% of the Participant's Hypothetical Account.

# Plan Amendments

Amended to freeze participation and accruals effective June 16, 2017 and adopted June 1, 2017. This valuation is taking the plan freeze into consideration per the plan sponsor's desire pursuant to 412(d)(2). The plan change was relected in the determination of the Target Normal Cost.

## Schedule SB, Line 26 Schedule of Active Participant Data

Key Surgical, Inc. Cash Balance Plan 41-1615197 / 002 Plan:

EIN/PN:

## 1. ACTIVE PARTICIPANTS

Service/ Age Group	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	3									3
25-29	7	2	<u> </u>							9
30-34	3	2								5
35-39	8	5								13
40-44	2	1								3
45-49	1	2								3
50-54	3	2								5
55-59		2								2
60-64	2	1								3
65 & Over										0
Totals	29	17	0	0	0	0	0	0	0	46

# Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation

**Benefit Plan** 

This form is required to be filed 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).

Short Form Annual Return/Report of Small Employee

2017 This Form is Open to **Public Inspection** 

OMB Nos. 1210-0110 1210-0089

▶ Complete all entries in accordance with the instructions to the Form 5500-SF.

	ort identification information			
For calendar plan year 2017 o	r fiscal plan year beginning	01/01/2017 and ending	12/31/	
A This return/report is for:	🛚 a single-employer plan	a multiple-employer plan (not multiemployer) list of participating employer information in	) (Filers checking the accordance with the	nis box must attach a e form instructions.)
P This return/report is	a one-participant plan	a foreign plan		
B This return/report is	the first return/report	the final return/report		
	an amended return/report	a short plan year return/report (less than 12	months)	
C Check box if filing under:	∑ Form 5558	automatic extension	DFVC program	n
	special extension (enter desc			
Part II Basic Plan Ir	formation—enter all requested in	nformation		
1a Name of plan			1b Three-digit	
Key Surgical, Inc.	. Cash Balance Plan		plan numb	er
			(PN) >	002
			1c Effective d	ate of plan
			01/01/	
2a Plan sponsor's name (em	ployer, if for a single-employer plan)			dentification Number
Mailing address (include i	room, apt., suite no. and street, or P.	O. Box)	/6 6:	1615197
City or town, state or prov	ince, country, and ZIP or foreign pos	stal code (if foreign, see instructions)		
Key Surgical LLC				telephone number
				14-9789
			20 Business of	code (see instructions)
8101 Wallace Road				
Eden Prairie		MNI FERMA	220110	
	and address X Same as Plan Spo	MN 55344	339110	
Ja Flan auministrators flame	and address X Same as Plan Spo	onsor.	3b Administra	tor's EIN
			JC Auministra	tor's telephone number
<ul> <li>If the name and/or EIN of this plan, enter the plan s</li> <li>a Sponsor's name</li> </ul>	the plan sponsor or the plan name is sponsor's name, EIN, the plan name	has changed since the last return/report filed for and the plan number from the last return/report.	4b EIN	
C Plan Name			4d PN	
• Flam Hame				
5a Total number of participa	nts at the beginning of the plan year		5a	46
b Total number of participa	nts at the end of the plan year		5b	47
C Number of participants w	ith account balances as of the end o	f the plan year (only defined contribution plans	-	
		olan year		42
		ear		44
		ne plan year with accrued benefits that were less		
than 100% vested			5e	0
Caution: A penalty for the la	te or incomplete filing of this retu	rn/report will be assessed unless reasonable of	ause is establishe	d
Under penalties of perjury and	I other penalties set forth in the instruction of the control of t	uctions, I declare that I have examined this return/ as well as the electronic version of this return/rep	report including if	annlicable a Schedule
SIGN Jalu	- CONTRACTOR OF THE PARTY OF TH	10/3/2018 John Savage		
HERE Signature of pla	n administrator	Date , Enter name of indiv	idual signing as als	un administrator
1 - 10		Little Harrie Of Indiv	idual signing as pla	iii adiiiiiistrator
SIGN /	Sex			
SIGN JUL	proyer/plan sponsor	10/3/2018 John Savage		nployer or plan sponsor

Page	2	
Page	/	

Form 5500	-SF 2017		Page Z			_		
<b>b</b> Are you claiming under 29 CFR 29	lan's assets during the plan year invested in eligible a waiver of the annual examination and report of 520.104-46? (See instructions on waiver eligibility I "No" to either line 6a or line 6b, the plan cann	an independ	ent qualified public a	ccounta	nt (IQ	PA)	X	Yes No
c If the plan is a de	fined benefit plan, is it covered under the PBGC in	nsurance pro	ogram (see ERISA se	ction 40	21)? .	X Yes	No No	t determined
If "Yes" is check	ed, enter the My PAA confirmation number from the	ne PBGC pre	emium filing for this pl	an year		40	41070. (See	instructions.)
Part III Financ	ial Information							
7 Plan Assets and	Liabilities		(a) Beginning of	of Year			(b) End of Yea	r
a Total plan assets	3	. 7a	1,	456,3	98			1,380,818
<b>b</b> Total plan liabiliti	es	. 7b			0			(
c Net plan assets	(subtract line 7b from line 7a)	. 7c	1,	456,3	98			1,380,818
8 Income, Expense	es, and Transfers for this Plan Year		(a) Amoun	t			(b) Total	
	ceived or receivable from:	90(1)						
	iding rollovers)							
	uss)			148,5	102			
	dd lines 8a(1), 8a(2), 8a(3), and 8b)							148,502
d Benefits paid (in	cluding direct rollovers and insurance premiums its)			223,9	962			
e Certain deemed	and/or corrective distributions (see instructions)	. 8e						
f Administrative s	ervice providers (salaries, fees, commissions)	8f		1	120			
g Other expenses		8g						
h Total expenses	(add lines 8d, 8e, 8f, and 8g)	8h						224,082
i Net income (loss	s) (subtract line 8h from line 8c)	8i						-75,580
j Transfers to (fro	m) the plan (see instructions)	8j						
Part IV Plan C	haracteristics							
9a If the plan provi 1A 1C 11	des pension benefits, enter the applicable pension	n feature cod	les from the List of PI	an Chai	racteri	stic Codes i	n the instruction	ns:
<b>b</b> If the plan provi	des welfare benefits, enter the applicable welfare	feature code	es from the List of Pla	n Chara	acteris	tic Codes in	the instructions	s:
Part V Comp	liance Questions							
10 During the plan					Yes	No	Amou	nt
described in 2	illure to transmit to the plan any participant contrib 29 CFR 2510.3-102? (See instructions and DOL's	Voluntary Fi	duciary Correction	10a		x		
b Were there an	y nonexempt transactions with any party-in-interese 10a.)	st? (Do not ir	nclude transactions	10b		х		
c Was the plan	covered by a fidelity bond?			10c	Х			292,00
	ave a loss, whether or not reimbursed by the plan honesty?			10d		х		
e Were any fees carrier, insurar	or commissions paid to any brokers, agents, or once service, or other organization that provides so instructions.)	ther persons ome or all of t	by an insurance the benefits under	10e		Х		
2 TON TONO 12 S	ailed to provide any benefit when due under the p	V 2554		10f		Х		
g Did the plan h	ave any participant loans? (If "Yes," enter amount	as of vear-e	nd.)	10g		T some		H H
h If this is an ind	lividual account plan, was there a blackout period	? (See instru	ctions and 29 CFR	10g		X		

If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....

Form 55	nn c	E 20	17

|--|

Part \	/I Pension Funding Compliance					
11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Sche (Form 5500) and line 11a below)					No
11a	Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	11a				0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section ERISA?	302 c	of		Yes	X No
	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and granting the waiver	enter Da		of the le		uling
lf y	ou completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.					
b	Enter the minimum required contribution for this plan year	12b				
С	Enter the amount contributed by the employer to the plan for this plan year	12c				
d	Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d				
е	Will the minimum funding amount reported on line 12d be met by the funding deadline?		Yes	No		N/A
Part '	/II Plan Terminations and Transfers of Assets					
13a	Has a resolution to terminate the plan been adopted in any plan year?		X Yes		No	
	If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a				(
b	Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	Yes X No				No
С	If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) which assets or liabilities were transferred. (See instructions.)	) to				
	c(1) Name of plan(s):		)	13c(3) PN(s)		