

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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 <div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2021</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
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 ☐ special extension (enter description)
D If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ☐	

Part II Basic Plan Information —enter all requested information													
1a Name of plan <u>THE WESTERN STATES MACHINE COMPANY RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">1b Three-digit plan number (PN) ▶</td> <td style="width: 40%; padding: 5px; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2" style="padding: 5px;">1c Effective date of plan <u>12/01/1942</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>12/01/1942</u>									
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1c Effective date of plan <u>12/01/1942</u>													
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE WESTERN STATES MACHINE COMPANY</u> <u>625 COMMERCE CENTER DRIVE</u> <u>FAIRFIELD, OH 45011</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">2b Employer Identification Number (EIN) <u>31-0487310</u></td> <td style="width: 40%;"></td> </tr> <tr> <td style="padding: 5px;">2c Sponsor's telephone number <u>513-863-4758</u></td> <td></td> </tr> <tr> <td style="padding: 5px;">2d Business code (see instructions) <u>333900</u></td> <td></td> </tr> </table>	2b Employer Identification Number (EIN) <u>31-0487310</u>		2c Sponsor's telephone number <u>513-863-4758</u>		2d Business code (see instructions) <u>333900</u>							
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3a Plan administrator's name and address ☒ Same as Plan Sponsor.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">3b Administrator's EIN</td> <td style="width: 40%;"></td> </tr> <tr> <td style="padding: 5px;">3c Administrator's telephone number</td> <td></td> </tr> </table>	3b Administrator's EIN		3c Administrator's telephone number									
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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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">4b EIN</td> <td style="width: 40%;"></td> </tr> <tr> <td style="padding: 5px;">4d PN</td> <td></td> </tr> </table>	4b EIN		4d PN									
4b EIN													
4d PN													
5a Total number of participants at the beginning of the plan year b Total number of participants at the end of the plan year c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... d(1) Total number of active participants at the beginning of the plan year d(2) Total number of active participants at the end of the plan year e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">5a</td> <td style="width: 40%; text-align: center; padding: 5px;"><u>86</u></td> </tr> <tr> <td style="padding: 5px;">5b</td> <td style="text-align: center; padding: 5px;"><u>84</u></td> </tr> <tr> <td style="padding: 5px;">5c</td> <td></td> </tr> <tr> <td style="padding: 5px;">5d(1)</td> <td style="text-align: center; padding: 5px;"><u>7</u></td> </tr> <tr> <td style="padding: 5px;">5d(2)</td> <td style="text-align: center; padding: 5px;"><u>5</u></td> </tr> <tr> <td style="padding: 5px;">5e</td> <td style="text-align: center; padding: 5px;"><u>0</u></td> </tr> </table>	5a	<u>86</u>	5b	<u>84</u>	5c		5d(1)	<u>7</u>	5d(2)	<u>5</u>	5e	<u>0</u>
5a	<u>86</u>												
5b	<u>84</u>												
5c													
5d(1)	<u>7</u>												
5d(2)	<u>5</u>												
5e	<u>0</u>												

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	09/30/2022	TODD HERSHBERGER
	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

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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 437675. (See instructions.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	5774695	6309570
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	5774695	6309570
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	264000	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	813663	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1077663
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	477056	
e Certain deemed and/or corrective distributions (see instructions) .	8e		
f Administrative service providers (salaries, fees, commissions)	8f	65732	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		542788
i Net income (loss) (subtract line 8h from line 8c)	8i		534875
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 1I
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i 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	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 12 below..... ☒ Yes ☐ No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40..... **11a** 0

b **PBGC missed contribution reporting requirements.** If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

- ☐ Yes.
- ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
- ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
- ☐ No. Other. Provide explanation _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ☐ Yes ☒ No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If 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**

c 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**

e 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? ☐ 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 ☒ No

c 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.)

13c(1) 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 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>THE WESTERN STATES MACHINE COMPANY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE WESTERN STATES MACHINE COMPANY</u>	D Employer Identification Number (EIN) <u>31-0487310</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2021</u>	
2 Assets:	
a Market value	2a <u>5771201</u>
b Actuarial value	2b <u>5309943</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>67</u> (2) Vested Funding Target <u>4488225</u> (3) Total Funding Target <u>4488225</u>
b For terminated vested participants.....	<u>12</u> <u>305014</u> <u>305014</u>
c For active participants	<u>7</u> <u>617467</u> <u>617467</u>
d Total.....	<u>86</u> <u>5410706</u> <u>5410706</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>5.39</u> %
6 Target normal cost.....	
a Present value of current plan year accruals.....	6a <u>1223</u>
b Expected plan-related expenses	6b <u>75000</u>
c Total (line 6a + line 6b)	6c <u>76223</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>09/23/2022</u> Date
Signature of actuary	<u>20-08260</u> Most recent enrollment number
<u>DANIELLE WINEGARDNER, FSA, EA, MAAA</u> Type or print name of actuary	<u>317-845-3537</u> Telephone number (including area code)
<u>NYHART</u> Firm name	
<u>5750 CASTLE CREEK PARKWAY</u> <u>SUITE 245</u> <u>INDIANAPOLIS, IN 46250</u> Address of the firm	

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

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	272253
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		192064
9 Amount remaining (line 7 minus line 8)	0	80189
10 Interest on line 9 using prior year's actual return of <u>13.17</u> %	0	10561
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		174916
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.13</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		23036
c Total available at beginning of current plan year to add to prefunding balance		197952
d Portion of (c) to be added to prefunding balance		197952
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	288702

Part III Funding Percentages

14 Funding target attainment percentage	14	92.80 %
15 Adjusted funding target attainment percentage	15	92.80 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	86.05 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/18/2021	22000	0	04/08/2022	22000	0
11/12/2021	22000	0	05/09/2022	22000	0
12/14/2021	22000	0	06/10/2022	22000	0
01/11/2022	22000	0	07/11/2022	22000	0
02/09/2022	22000	0	08/11/2022	22000	0
03/14/2022	22000	0	09/09/2022	22000	0
Totals ▶			18(b)	264000	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	247460

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.36 %3rd segment:
6.11 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

68

23 Mortality table(s) (see instructions) ☒ Prescribed - combined☐ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment. **27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c) **31a** 76223**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 389465 Installment 36314**b** Waiver amortization installment 0 0**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) **34** 112537**35** Balances elected for use to offset funding requirement Carryover balance 0 Prefunding balance 73863 Total balance 73863**36** Additional cash requirement (line 34 minus line 35) **36** 38674**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 247460**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 208786**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 73863**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Active Participant Schedule

Active participant information grouped based on age and credited service.

Age Group	Years of Service									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up
Under 25										
25 to 29										
30 to 34										
35 to 39										
40 to 44										
45 to 49						1				
50 to 54								1		
55 to 59										
60 to 64						1		2		
65 to 69										1
70 & up										1

Except where otherwise indicated, the following assumptions were selected by the plan sponsor with the concurrence of the actuary. Prescribed assumptions are based on the requirements of the relevant law, the Internal Revenue Code and applicable regulation. The actuary was not able to evaluate the prescribed assumptions for reasonableness for the purpose of the measurement.

Valuation Date

January 1, 2021

Participant and Asset Information Collected as of

January 1, 2021

Retirement Rates (FE)

100% of participants are assumed to retire upon the attainment of age 65 and 5 years of service

As the plan is not large enough to have credible experience, retirement rates are based on professional judgment and expectation for the general population adjusted as necessary for the specific provisions of the plan.

Mortality Rates (FE)

Healthy & Disabled - Prescribed

IRS 2021 Static Mortality - sex distinct RP2006 combined for annuitants and non-annuitants as provided in IRC 430(h)(3). Mortality projections are based on SO improvement Scale MP-2019 and the projection methodology described in IRS Regulation 1.430(h)(3)-1(c). The table of decrement rates is available in Revenue Notice 2018-02.

Lump Sum

N/A

ASC 960

Pri-2012 Mortality Table projected from 2012 with the MP-2020 Generational Improvement Scale

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends

Disability Rates (FE)

None

Not Applicable

Withdrawal Rates (FE)

Sample probabilities are as follows:

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	79.0%	91.0%
40	29.2%	33.7%
55	0.0%	0.0%

As the plan is not large enough to have credible experience, withdrawal assumptions are set to reflect general population trends

Interest Rates

	1st Segment (0-5 years)	2nd Segment (5-20 years)	3rd Segment (20+ years)
Minimum Funding and Benefit Restrictions - Prescribed (CO)	4.75%	5.36%	6.11%
PBGC and Maximum Funding - Prescribed (CO)	2.22%	3.38%	3.92%
ASC 960 (CO)	6.50%	6.50%	6.50%

All segment rates are based on the sponsor's election to use a four month lookback. The PBGC interest rates are based on the sponsor's election to use the Alternative calculation method. The Alternative calculation method was elected in 2008.

Interest rates are prescribed by IRS regulation.
The ASC 960 interest rate is the expected long term rate of return on assets.

Annual Pay Increases (CO)

N/A

Payment Form Election (FE)

100% of participants are assumed to elect a 10 year Certain & Life Annuity

Expense and/or Contingency Loading (FE)

The Target Normal Cost is increased by \$75,000 to cover anticipated administrative expenses paid from the trust for the plan year beginning January 1, 2021

Marital Status and Ages (FE)

90% of Participants assumed to be married with wives assumed to be three years younger than their husbands

Market Value of Assets

Equal to the fair value of assets as of the valuation date, plus the discounted value of contributions (if applicable) made following the valuation date and before the date of this report for the purpose of satisfying the prior year's funding requirements.

Plan Asset Valuation Method

PPA Smoothed Value of Assets. Gains or losses on the Market Value of Assets are recognized over three years, subject to a 10% corridor around the Market Value of Assets

Expected Rate of Return on Assets (CO)

For determination of the Plan Asset value, the expected return on assets is equal to the Effective Interest Rate.

Cost Method

PPA requires the use of the Unit Credit cost method for determining the minimum required contribution and PBGC premiums. The maximum tax deductible contribution calculation includes limited Projected Unit Credit calculations as required under IRC 404(o).

ASC 960 requires the use of the Unit Credit cost method.

FE indicates an assumption representing an estimate of future experience

MD indicates an assumption representing observations of estimates inherent in market data

CO indicates as assumption representing a combination of an estimate of future experience and observations of market data

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A Name of plan The Western States Machine Company Retirement Plan	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Western States Machine Company	D Employer Identification Number (EIN) 31-0487310
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2021	
2 Assets:	
a Market value	2a 5,771,201
b Actuarial value	2b 5,309,943
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 67 (2) Vested Funding Target 4,488,225 (3) Total Funding Target 4,488,225
b For terminated vested participants	12 305,014 305,014
c For active participants	7 617,467 617,467
d Total	86 5,410,706 5,410,706
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 5.39%
6 Target normal cost	
a Present value of current plan year accruals	6a 1,223
b Expected plan-related expenses	6b 75,000
c Total (line 6a + line 6b)	6c 76,223

Statement by Enrolled Actuary

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

SIGN HERE	Danielle Winegardner <i>DW</i>	09/23/2022
	Signature of actuary	Date
	Danielle Winegardner, FSA, EA, MAAA	2008260
	Type or print name of actuary	Most recent enrollment number
	Nyhart	317-845-3537
	Firm name	Telephone number (including area code)
	5750 Castle Creek Parkway Suite 245 Indianapolis IN 46250	
	Address of the firm	

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

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

Schedule SB (Form 5500) 2021
v. 201209

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	272,253
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		192,064
9 Amount remaining (line 7 minus line 8)	0	80,189
10 Interest on line 9 using prior year's actual return of <u>13.17</u> %	0	10,561
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		174,916
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.13</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		23,036
c Total available at beginning of current plan year to add to prefunding balance		197,952
d Portion of (c) to be added to prefunding balance		197,952
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	288,702

Part III Funding Percentages

14 Funding target attainment percentage	14	92.80%
15 Adjusted funding target attainment percentage	15	92.80%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	86.05%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/18/2021	22,000	0			
11/12/2021	22,000	0			
12/14/2021	22,000	0			
01/11/2022	22,000	0			
02/09/2022	22,000	0			
03/14/2022	22,000	0			
04/08/2022	22,000	0			
05/09/2022	22,000	0			
06/10/2022	22,000	0			
07/11/2022	22,000	0			
08/11/2022	22,000	0			
09/09/2022	22,000	0			
Totals ►			18(b)	264,000	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	247,460

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.36 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 68
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c)	31a	76,223	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	389,465		36,314
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	112,537	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	73,863	73,863
36 Additional cash requirement (line 34 minus line 35)	36	38,674	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	247,460	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	208,786	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	73,863	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Summary of Contributions

Below is a summary of historical contributions.

Effective Rate: 5.39%

Contributions for Plan Year Beginning in 2021

Contribution Date	Amount	Discounted Value
October 18, 2021	\$22,000	\$21,101
November 12, 2021	\$22,000	\$21,025
December 14, 2021	\$22,000	\$20,928
January 11, 2022	\$22,000	\$20,845
February 09, 2022	\$22,000	\$20,758
March 14, 2022	\$22,000	\$20,660
April 08, 2022	\$22,000	\$20,586
May 09, 2022	\$22,000	\$20,494
June 10, 2022	\$22,000	\$20,400
July 11, 2022	\$22,000	\$20,309
August 11, 2022	\$22,000	\$20,219
September 09, 2022	\$22,000	\$20,135
Totals	264,000.00	247,460.00

Age	Expected Actives at Age	Retirement Rate	Expected Retirements	Weighted Age
65.00	4.5506	100.00%	4.5506	295.7902
66.00	0.0000	100.00%	0.0000	0.0000
67.00	0.0000	100.00%	0.0000	0.0000
68.00	0.0000	100.00%	0.0000	0.0000
69.00	0.0000	100.00%	0.0000	0.0000
70.00	1.0000	100.00%	1.0000	70.0000
71.00	0.0000	100.00%	0.0000	0.0000
72.00	0.0000	100.00%	0.0000	0.0000
73.00	0.0000	100.00%	0.0000	0.0000
74.00	0.0000	100.00%	0.0000	0.0000
75.00	0.0000	100.00%	0.0000	0.0000
76.00	1.0000	100.00%	1.0000	76.0000
Total			6.5506	441.7902

Weighted Average Retirement Age = Weighted Age/Expected Retirements : 67.44

* Please note that the retirement rates are a weighted average of the rates shown in Part V for active participants eligible to retire at the age and zero for all other active participants.

Plan Effective Date

December 1, 1942.

Plan Status

The plan is closed to new participants.

Covered Employees

The plan covers all salaried employees of the Company, except that leased employees and employees hired after December 31, 1998 are excluded from coverage.

Eligibility for Participation

A covered employee becomes a participant on the earlier of June 30th or December 31st following the completion of one year of service.

Normal Retirement Date

The first day of the month coincident with or next following the date a plan participant attains age 65 or completes five years of plan participation, if later.

Credited Service

All years and completed months of service with the employer from date of employment to the earlier of retirement, termination of employment, or death.

Vesting

All participants became 100% vested on December 31, 1998.

Earnings

Basic compensation, including cost of living adjustments, but excluding overtime, commissions and bonuses. However, earnings in any year are not permitted to exceed the maximum amount specified in Internal Revenue Code (IRC) Section 401.

Final Average Monthly Earnings

Total of the highest earnings received during any three (3) calendar years of the last five (5) calendar years preceding the earlier of retirement, termination of employment, or December 31, 1998, divided by 36.

Benefits

Normal Retirement

Eligibility	Age 65 with 5 years of participation
Benefit	<p>The monthly benefit payable at the normal retirement date is equal to $\frac{3}{4}$ of 1% of Final Average Monthly Earnings multiplied by years of Credited Service, provided that such benefit shall not exceed \$1,010.</p> <p>However, no benefits shall accrue beyond December 31, 1998 under the foregoing formula, except that active participants who are not highly compensated employees (as defined under Section 414(q) of the Internal Revenue Code) and have attained age 60 or older as of that date shall continue to accrue Credited Service for purposes of determining the benefit described above until the earlier of retirement and December 31, 2003.</p> <p>In addition, a Supplemental Pension is payable as follows:</p> <p>If an employee retires on or after June 1, 1995, he will be paid a Supplemental Pension of \$8.00 per month multiplied by Credited Service not in excess of 30.</p> <p>If an employee retired prior to June 1, 1995 and is listed in Supplement C of the plan document, his monthly pension benefit shall be increased by \$200.00.</p>

Early Retirement

Eligibility	Age 55 and 10 years of vesting service
Benefit	The benefit payable to a plan participant who retires early is the participant's normal retirement benefit as determined by the benefit formula, but using service to his early retirement date only. The benefit is reduced by $\frac{1}{4}\%$ for each month benefits commence early.

Late Retirement

Eligibility	Participation continues after normal retirement date
Benefit	A participant who retires on a postponed retirement date will be paid a benefit calculated on the same basis as it would be if the participant had retired on his Normal Retirement Date, but on the basis of the benefit level and service in effect on the Postponed Retirement Date.

Death before Retirement

Eligibility	5 years of vesting service
Benefit	Upon the death of a participant who has completed five (5) or more years of service, a monthly benefit shall be payable to the participant's surviving spouse, if any, provided the participant had been married at least one year at death. The amount of the benefit to the surviving spouse is actuarially equivalent to 50% of the participant's accrued benefit reduced for early receipt, if applicable, and further reduced for payment as a 50% joint and survivor annuity. The benefit begins no earlier than the first day of the month the participant could have retired.

Employee Contributions

Participants shall not be required or permitted to make contributions under the Plan

Payment Forms

Normal Form

The normal form of payment is a benefit payable for the lifetime of the retiring participant, with 120 monthly payments guaranteed. A participant who is married at the time of retirement will automatically receive a reduced joint and 50% survivor annuity unless another form of payment is elected with the consent of the participant's spouse.

Optional Forms

Life annuity; life annuity with 60, 120, 180, or 240 monthly payments guaranteed; joint and survivor options with 50%, 66-2/3%, 75%, or 100% to beneficiary.

Actuarial Equivalence

For non-decreasing annuities: Actuarial equivalence is based on 6% interest and the 71 GAM Male Mortality rates, set back 1 year for participants and 5 years for beneficiaries.

For accelerated forms of payment: Actuarial Equivalence will be computed using the greater of the actuarial equivalence for non-decreasing annuities or the equivalent annual benefit computed using the "PPA applicable mortality table" and the interest rate determined under Code Section 417(e)(3) for the month of December preceeding the Plan Year that contains the annuity start date.

Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report

Development of Shortfall Amortization Charge

Type of Base	Present Value of Remaining Installments	Valuation Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 389,465	1/1/2021	7	\$ 36,314
	<u>\$ 389,465</u>			<u>\$ 36,314</u>

Changes since Prior Valuation and Key Notes

There have been no changes to the plan provisions since the last valuation.

The interest rates and mortality assumptions have been updated as required under the Pension Protection Act, all subsequent legislation, and associated IRS Regulations, including the changes presented by the American Rescue Plan Act of 2021. These changes resulted in a decrease in the Funding Target and the Target Normal Cost.

To better reflect anticipated plan experience, the ASC 960 assumption for mortality was changed from RP-2014 Mortality Table projected from 2006 with the Scale MP-2019 Generational Improvement Scale to Pri-2012 Mortality Table projected from 2012 with the Scale MP-2020. This change resulted in a decrease in the Present Value of Accrued Benefits.

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