# Federal Screw Works
# Statement of Operations

(unaudited, in thousands, except per share)

| | First Quarter Ended September 30 | |
|---|---|---|
| | **2016** | **2015** |
| Net sales | $ 18,842 | $ 19,546 |
| Costs and expenses: | | |
| Cost of products sold | 17,157 | 17,690 |
| Selling, general and administrative | 957 | 886 |
| Interest | 161 | 212 |
| Other (income) expense | (4) | - |
| | 18,271 | 18,788 |
| EARNINGS BEFORE FEDERAL INCOME TAXES | 571 | 758 |
| Federal income tax | 189 | - |
| NET EARNINGS | $ 382 | $ 758 |
| Total number of common shares outstanding | 1,381,595 | 1,381,595 |
| Net earnings per common share | $ 0.28 | $ 0.55 |

# Federal Screw Works
## Comparative Balance Sheets
(unaudited)

| | September 30, 2016 | June 30, 2016 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash | $ 116,517 | $ 606,906 |
| Accounts receivable, net | 12,504,436 | 11,456,867 |
| Refundable state income taxes | - | - |
| Inventories: | | |
| Finished products | 3,384,615 | 4,012,837 |
| In-process products | 12,000,261 | 12,245,602 |
| Raw materials and supplies | 2,258,737 | 2,345,618 |
| Total inventories | 17,643,613 | 18,604,057 |
| Prepaid expenses and other current assets | 558,287 | 244,869 |
| Assets held for sale | 5,171 | 5,171 |
| TOTAL CURRENT ASSETS | 30,828,024 | 30,917,870 |
| **Other Assets** | | |
| Cash value of life insurance | 2,003,229 | 1,991,228 |
| Deferred federal income taxes | 2,768,675 | 2,877,008 |
| Investments and other | 261,582 | 274,933 |
| | 5,033,486 | 5,143,169 |
| **Property, Plant and Equipment** | | |
| Land | 387,467 | 387,467 |
| Buildings and improvements | 11,875,958 | 11,830,108 |
| Machinery and equipment | 107,017,966 | 105,449,903 |
| | 119,281,391 | 117,667,478 |
| Less accumulated depreciation | (95,208,536) | (94,331,769) |
| | 24,072,855 | 23,335,709 |
| | $ 59,934,365 | $ 59,396,748 |

| | September 30, 2016 | June 30, 2016 |
|---|---|---|
| **Liabilities and Stockholders' Equity** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 7,660,559 | $ 7,096,768 |
| Payroll and employee benefits | 2,188,638 | 3,930,872 |
| Taxes, other than income taxes | 148,230 | 532,499 |
| Other accrued liabilities | 730,429 | 561,187 |
| Current portion of long-term debt | 1,702,719 | 1,702,719 |
| Current portion of post retirement benefits | 932,871 | 932,871 |
| TOTAL CURRENT LIABILITIES | 13,363,446 | 14,756,916 |
| **Long-Term Liabilities** | | |
| Long-term debt | 15,799,621 | 14,043,167 |
| Employee benefits | 720,467 | 729,402 |
| Postretirement benefits | 11,525,448 | 11,744,187 |
| Pension benefits | 13,872,275 | 13,962,184 |
| Other liabilities | 1,374,468 | 1,364,000 |
| | 43,292,279 | 41,842,940 |
| **Stockholders' Equity** | | |
| Common stock, $1 par value: authorized 2,000,000 shares; 1,381,595 shares outstanding | 1,381,595 | 1,381,595 |
| Additional capital | 3,269,476 | 3,269,476 |
| Retained earnings | 24,676,179 | 24,293,806 |
| Accumulated other comprehensive income | (26,048,610) | (26,147,985) |
| | 3,278,640 | 2,796,892 |
| | $ 59,934,365 | $ 59,396,748 |