

Federal Screw Works

Statement of Operations

(unaudited, in thousands, except per share)

	Second Quarter Ended December 31		Six Months Ended December 31	
	2016	2015	2016	2015
Net sales	\$ 17,998	\$ 18,727	\$ 36,840	\$ 38,273
Costs and expenses:				
Cost of products sold	16,398	17,096	33,555	34,786
Selling, general and administrative	950	870	1,907	1,756
Interest	161	220	322	432
Other (income) expense	-	(1)	(4)	(1)
	17,509	18,185	35,780	36,973
EARNINGS BEFORE FEDERAL INCOME TAXES	489	542	1,060	1,300
Federal income tax	161	-	350	-
NET EARNINGS	\$ 328	\$ 542	\$ 710	\$ 1,300
Total number of common shares outstanding	1,381,595	1,381,595	1,381,595	1,381,595
Net earnings per common share	\$ 0.24	\$ 0.39	\$ 0.51	\$ 0.94

Federal Screw Works

Comparative Balance Sheets

(unaudited)

	December 31, 2016	June 30, 2016
Assets		
Current Assets		
Cash	\$ 117,899	\$ 606,906
Accounts receivable, net	11,258,620	11,456,867
		-
Inventories:		
Finished products	3,790,304	4,012,837
In-process products	11,844,033	12,245,602
Raw materials and supplies	2,308,980	2,345,618
Total inventories	17,943,317	18,604,057
EARNINGS BEFORE FEDERAL INCOME TAXES		
Prepaid expenses and other current assets	693,826	244,869
NET EARNINGS	5,171	5,171
TOTAL CURRENT ASSETS	30,018,833	30,917,870
Net earnings per common share		
Cash value of life insurance	1,880,383	1,991,228
Deferred federal income taxes	2,607,331	2,877,008
Investments and other	248,232	274,933
	4,735,946	5,143,169
Property, Plant and Equipment		
Land	387,467	387,467
Buildings and improvements	11,976,768	11,830,108
Machinery and equipment	107,220,389	105,449,903
	119,584,624	117,667,478
Less accumulated depreciation	(94,004,608)	(94,331,769)
	25,580,016	23,335,709
	\$ 60,334,795	\$ 59,396,748

	December 31, 2016	June 30, 2016
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 6,831,063	\$ 7,096,768
Payroll and employee benefits	2,135,510	3,930,872
Taxes, other than income taxes	334,235	532,499
Other accrued liabilities	359,066	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	12,295,464	14,756,916
Long-Term Liabilities		
Long-term debt	17,121,951	14,043,167
Employee benefits	711,279	729,402
Postretirement benefits	11,305,840	11,744,187
Pension benefits	13,809,732	13,962,184
Other liabilities	1,384,937	1,364,000
	44,333,739	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	25,003,756	24,293,806
Accumulated other comprehensive (loss)	(25,949,235)	(26,147,985)
	3,705,592	2,796,892
	\$ 60,334,795	\$ 59,396,748