CENTRAL SECURITIES CORP
Form 40-17G
April 09, 2013

April 9, 2013

Re: File No. 811-179

Securities and Exchange Commission

100 F Street N.E.

Washington, D.C. 20549

Attention: Division of Investment Management

Dear Sirs:

We are filing herewith under Section 17(g) of the Investment Company Act of 1940, the following items with respect to the Investment Company bond covering Central Securities Corporation (the "Corporation") for the period April 1, 2013 through March 31, 2014:

1. A certified copy of resolutions adopted by a majority of the members of the Board of Directors of the Corporation who are not interested persons at a meeting of the Board held on March 20, 2013; and

2. A copy of Bond No. 12043113B in the amount of $900,000 effective April 1, 2013, which was received by the Corporation on or about April 2, 2013; and

3. A copy of a resolution of a majority of the board of directors who are not “interested persons” approving the form and amount of the bond.

The premium for this bond was paid on or about March 25, 2013.

Very truly yours,

CENTRAL SECURITIES CORPORATION

/s/ Marlene A. Krumholz

Secretary

Enc.

ICI MUTUAL INSURANCE COMPANY,

a Risk Retention Group

1401 H St. NW

Washington, DC 20005

INVESTMENT COMPANY BLANKET BOND

ICI MUTUAL INSURANCE COMPANY,

a Risk Retention Group

1401 H St. NW

Washington, DC 20005

DECLARATIONS

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

Item 1. Name of Insured (the "Insured") Bond Number
Central Securities Corporation 12043113B

Principal Office: 630 Fifth Avenue, Suite 820 New York, NY 10111
Mailing Address: 630 Fifth Avenue, Suite 820 New York, NY 10111

Item 2. Bond Period: from 12:01 a.m. on April 1, 2013, to 12:01 a.m. on April 1, 2014 or the earlier effective date of the termination of this Bond, standard time at the Principal Office as to each of said dates.

Item 3. Limit of Liability

Subject to Sections 9, 10 and 12 hereof:

		LIMIT OF LIABILITY	DEDUCTIBLE AMOUNT
Insuring Agreement A-	FIDELITY	$900,000	N/A
Insuring Agreement B-	AUDIT EXPENSE	$50,000	$10,000
Insuring Agreement C-	ON PREMISES	$900,000	$10,000
Insuring Agreement D-	IN TRANSIT	$900,000	$10,000
Insuring Agreement E-	FORGERY OR ALTERATION	$900,000	$10,000
Insuring Agreement F-	SECURITIES	$900,000	$10,000

Insuring Agreement G-	COUNTERFEIT CURRENCY	$900,000	$10,000
Insuring Agreement H-	UNCOLLECTIBLE ITEMS OF DEPOSIT	$25,000	$5,000

If “Not Covered” is inserted opposite any Insuring Agreement above, such Insuring Agreement and any reference thereto shall be deemed to be deleted from this Bond.

OPTIONAL INSURING AGREEMENTS ADDED BY RIDER:

Insuring Agreement J-	COMPUTER SECURITY	$900,000	$10,000

Item 4. Offices or Premises Covered--All the Insured’s offices or other premises in existence at the time this Bond becomes effective are covered under this Bond, except the offices or other premises excluded by Rider. Offices or other premises acquired or established after the effective date of this Bond are covered subject to the terms of General Agreement A.

Item 5. The liability of ICI Mutual Insurance Company, a Risk Retention Group (the “Underwriter”) is subject to the terms of the following Riders attached hereto:

Riders: 1-2-3-4

and of all Riders applicable to this Bond issued during the Bond Period.

By: /S/ Swenitha Nalli

Authorized Representative

INVESTMENT COMPANY BLANKET BOND

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

ICI Mutual Insurance Company, a Risk Retention Group (the "Underwriter"), in consideration of an agreed premium, and in reliance upon the Application and all other information furnished to the Underwriter by the Insured, and subject to and in accordance with the Declarations, General Agreements, Provisions, Conditions and Limitations and other terms of this bond (including all riders hereto) ("Bond"), to the extent of the Limit of Liability and subject to the Deductible Amount, agrees to indemnify the Insured for the loss, as described in the Insuring Agreements, sustained by the Insured at any time but discovered during the Bond Period.

INSURING AGREEMENTS

A. FIDELITY
Loss caused by any Dishonest or Fraudulent Act or Theft committed by an Employee anywhere, alone or in collusion with other persons (whether or not Employees), during the time such Employee has the status of an Employee as defined herein, and even if such loss is not discovered until after he or she ceases to be an Employee, EXCLUDING loss covered under Insuring Agreement B.

B. AUDIT EXPENSE
Expense incurred by the Insured for that part of audits or examinations required by any governmental regulatory authority or Self Regulatory Organization to be conducted by such authority or Organization or by an independent accountant or other person, by reason of the discovery of loss sustained by the Insured and covered by this Bond.

C. ON PREMISES
Loss resulting from Property that is (1) located or reasonably believed by the Insured to be located within the Insured's offices or premises, and (2) the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A.

D. IN TRANSIT
Loss resulting from Property that is (1) in transit in the custody of any person authorized by an Insured to act as a messenger, except while in the mail or with a carrier for hire (other than a Security Company), and (2) the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance, EXCLUDING loss covered under Insuring Agreement A. Property is "in transit" beginning immediately upon receipt of such Property by the transporting person and ending immediately upon delivery at the specified destination.

E. FORGERY OR ALTERATION
Loss caused by the Forgery or Alteration of or on (1) any bills of exchange, checks, drafts, or other written orders or directions to pay certain sums in money, acceptances, certificates of deposit, due

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bills, money orders, or letters of credit; or (2) other written instructions, requests or applications to the Insured, authorizing or acknowledging the transfer, payment, redemption, delivery or receipt of Property, or giving notice of any bank account, which instructions or requests or applications purport to have been signed or endorsed by (a) any customer of the Insured, or (b) any shareholder of or subscriber to shares issued by any Investment Company, or (c) any financial or banking institution or stockbroker; or (3) withdrawal orders or receipts for the withdrawal of Property, or receipts or certificates of deposit for Property and bearing the name of the Insured as issuer or of another Investment Company for which the Insured acts as agent. This Insuring Agreement E does not cover loss caused by Forgery or Alteration of Securities or loss covered under Insuring Agreement A.

F. SECURITIES

Loss resulting from the Insured, in good faith, in the ordinary course of business, and in any capacity whatsoever, whether for its own account or for the account of others, having acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability on the faith of any Securities, where such loss results from the fact that such Securities (1) were Counterfeit, or (2) were lost or stolen, or (3) contain a Forgery or Alteration, and notwithstanding whether or not the act of the Insured causing such loss violated the constitution, by-laws, rules or regulations of any Self Regulatory Organization, whether or not the Insured was a member thereof, EXCLUDING loss covered under Insuring Agreement A.

G. COUNTERFEIT CURRENCY

Loss caused by the Insured in good faith having received or accepted (1) any money orders which prove to be Counterfeit or to contain an Alteration or (2) paper currencies or coin of the United States of America or Canada which prove to be Counterfeit. This Insuring Agreement G does not cover loss covered under Insuring Agreement A.

H. UNCOLLECTIBLE ITEMS OF DEPOSIT

Loss resulting from the payment of dividends, issuance of Fund shares or redemptions or exchanges permitted from an account with the Fund as a consequence of

(1) uncollectible Items of Deposit of a Fund's customer, shareholder or subscriber credited by the Insured or its agent to such person's Fund account, or

(2) any Item of Deposit processed through an automated clearing house which is reversed by a Fund's customer, shareholder or subscriber and is deemed uncollectible by the Insured;

PROVIDED, that (a) Items of Deposit shall not be deemed uncollectible until the Insured's collection procedures have failed, (b) exchanges of shares between Funds with exchange privileges shall be covered hereunder only if all such Funds are insured by the Underwriter for uncollectible Items of Deposit, and (c) the Insured Fund shall have implemented and maintained a policy to hold Items of Deposit for the minimum number of days stated in its Application (as amended from time to time) before paying any dividend or permitting any withdrawal with respect to such Items of Deposit (other than exchanges between Funds). Regardless of the number of transactions between Funds in an exchange program, the minimum number of days an Item of Deposit must be held shall begin from the date the Item of Deposit was first credited to any Insured Fund.

This Insuring Agreement H does not cover loss covered under Insuring Agreement A.

I. PHONE/ELECTRONIC TRANSACTIONS

Loss caused by a Phone/Electronic Transaction, where the request for such Phone/Electronic Transaction:

(1) is transmitted to the Insured or its agents by voice over the telephone or by Electronic Transmission; and

(2) is made by an individual purporting to be a Fund shareholder or subscriber or an authorized agent of a Fund shareholder or subscriber; and

(3) is unauthorized or fraudulent and is made with the manifest intent to deceive;

PROVIDED, that the entity receiving such request generally maintains and follows during the Bond Period all Phone/Electronic Transaction Security Procedures with respect to all Phone/Electronic Transactions; and

EXCLUDING loss resulting from:

(1) the failure to pay for shares attempted to be purchased; or

(2) any redemption of Investment Company shares which had been improperly credited to a shareholder's account where such shareholder (a) did not cause, directly or indirectly, such shares to be credited to such account, and (b) directly or indirectly received any proceeds or other benefit from such redemption; or

(3) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be paid or made payable to other than (a) the Shareholder of Record, or (b) any other person or bank account designated to receive redemption proceeds (i) in the initial account application, or (ii) in writing (not to include Electronic Transmission) accompanied by a signature guarantee; or

(4) any redemption of shares issued by an Investment Company where the proceeds of such redemption were requested to be sent to other than any address for such account which was designated (a) in the initial account application, or (b) in writing (not to include Electronic Transmission), where such writing is received at least one (1) day prior to such redemption request, or (c) by voice over the telephone or by Electronic Transmission at least fifteen (15) days prior to such redemption; or

(5) the intentional failure to adhere to one or more Phone/Electronic Transaction Security Procedures; or

(6) a Phone/Electronic Transaction request transmitted by electronic mail or transmitted by any method not subject to the Phone/Electronic Transaction Security Procedures; or

(7) the failure or circumvention of any physical or electronic protection device, including any firewall, that imposes restrictions on the flow of electronic traffic in or out of any Computer System.

This Insuring Agreement I does not cover loss covered under Insuring Agreement A, "Fidelity" or Insuring Agreement J, "Computer Security".

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GENERAL AGREEMENTS

A. ADDITIONAL OFFICES OR EMPLOYEES—CONSOLIDATION OR MERGER--NOTICE

1. Except as provided in paragraph 2 below, this Bond shall apply to any additional office(s) established by the Insured during the Bond Period and to all Employees during the Bond Period, without the need to give notice thereof or pay additional premiums to the Underwriter for the Bond Period.
2. If during the Bond Period an Insured Investment Company shall merge or consolidate with an institution in which such Insured is the surviving entity, or purchase substantially all the assets or capital stock of another institution, or acquire or create a separate investment portfolio, and shall within sixty (60) days notify the Underwriter thereof, then this Bond shall automatically apply to the Property and Employees resulting from such merger, consolidation, acquisition or creation from the date thereof; provided, that the Underwriter may make such coverage contingent upon the payment of an additional premium.

B. WARRANTY

No statement made by or on behalf of the Insured, whether contained in the Application or otherwise, shall be deemed to be an absolute warranty, but only a warranty that such statement is true to the best of the knowledge of the person responsible for such statement.

C. COURT COSTS AND ATTORNEYS' FEES

The Underwriter will indemnify the Insured against court costs and reasonable attorneys' fees incurred and paid by the Insured in defense of any legal proceeding brought against the Insured seeking recovery for any loss which, if established against the Insured, would constitute a loss covered under the terms of this Bond; provided, however, that with respect to Insuring Agreement A this indemnity shall apply only in the event that

1. an Employee admits to having committed or is adjudicated to have committed a Dishonest or Fraudulent Act or Theft which caused the loss; or
2. in the absence of such an admission or adjudication, an arbitrator or arbitrators acceptable to the Insured and the Underwriter concludes, after a review of an agreed statement of facts, that an Employee has committed a Dishonest or Fraudulent Act or Theft which caused the loss.

The Insured shall promptly give notice to the Underwriter of any such legal proceeding and upon request shall furnish the Underwriter with copies of all pleadings and other papers therein. At the Underwriter's election the Insured shall permit the Underwriter to conduct the defense of such legal proceeding in the Insured's name, through attorneys of the Underwriter's selection. In such event, the Insured shall give all reasonable information and assistance which the Underwriter shall deem necessary to the proper defense of such legal proceeding.

If the amount of the Insured's liability or alleged liability in any such legal proceeding is greater than the amount which the Insured would be entitled to recover under this Bond (other than pursuant to this General Agreement C), or if a Deductible Amount is applicable, or both, the indemnity liability of the Underwriter under this General Agreement C is limited to the proportion of court costs and attorneys' fees incurred and paid by the Insured or by the Underwriter that the amount which the Insured would be entitled to recover under this Bond (other than pursuant to this General Agreement C) bears to the sum of such amount plus the amount which the Insured is not entitled to recover. Such indemnity shall be in addition to the Limit of Liability for the applicable Insuring Agreement.

D. INTERPRETATION

This Bond shall be interpreted with due regard to the purpose of fidelity bonding under Rule 17g-1 of the Investment Company Act of 1940 (i.e., to protect innocent third parties from harm) and to the structure of the investment management industry (in which a loss of Property resulting from a cause described in any Insuring Agreement ordinarily gives rise to a potential legal liability on the part of the Insured), such that the term "loss" as used herein shall include an Insured's legal liability for direct compensatory damages resulting directly from a misappropriation, or measurable diminution in value, of Property.

THIS BOND, INCLUDING THE FOREGOING INSURING AGREEMENTS

AND GENERAL AGREEMENTS, IS SUBJECT TO THE FOLLOWING

PROVISIONS, CONDITIONS AND LIMITATIONS:

SECTION 1. DEFINITIONS

The following terms used in this Bond shall have the meanings stated in this Section:

A. **"Alteration"** means the marking, changing or altering in a material way of the terms, meaning or legal effect of a document with the intent to deceive.

B. **"Application"** means the Insured's application (and any attachments and materials submitted in connection therewith) furnished to the Underwriter for this Bond.

C. **"Computer System"** means (1) computers with related peripheral components, including storage components, (2) systems and applications software, (3) terminal devices, (4) related communications networks or customer communication systems, and (5) related electronic funds transfer systems; by which data or monies are electronically collected, transmitted, processed, stored or retrieved.

D. **"Counterfeit"** means, with respect to any item, one which is false but is intended to deceive and to be taken for the original authentic item.

E. **"Deductible Amount"** means, with respect to any Insuring Agreement, the amount set forth under the heading "Deductible Amount" in Item 3 of the Declarations or in any Rider for such Insuring Agreement, applicable to each Single Loss covered by such Insuring Agreement.

F. **"Depository"** means any "securities depository" (other than any foreign securities depository) in which an Investment Company may deposit its Securities in accordance with Rule 17f-4 under the Investment Company Act of 1940.

G. **"Dishonest or Fraudulent Act"** means any dishonest or fraudulent act, including "larceny and embezzlement" as defined in Section 37 of the Investment Company Act of 1940, committed with the conscious manifest intent (1) to cause the Insured to sustain a loss and (2) to obtain financial benefit for the perpetrator or any other person (other than salaries, commissions, fees, bonuses, awards, profit

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sharing, pensions or other employee benefits). A Dishonest or Fraudulent Act does not mean or include a reckless act, a negligent act, or a grossly negligent act.

H. **“Electronic Transmission”** means any transmission effected by electronic means, including but not limited to a transmission effected by telephone tones, Telefacsimile, wireless device, or over the Internet.

I. **“Employee”** means:

(1) each officer, director, trustee, partner or employee of the Insured, and

(2) each officer, director, trustee, partner or employee of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of, such predecessor, and

(3) each attorney performing legal services for the Insured and each employee of such attorney or of the law firm of such attorney while performing services for the Insured, and

(4) each student who is an authorized intern of the Insured, while in any of the Insured’s offices, and

(5) each officer, director, trustee, partner or employee of

(a) an investment adviser,

(b) an underwriter (distributor),

(c) a transfer agent or shareholder accounting recordkeeper, or

(d) an administrator authorized by written agreement to keep financial and/or other required records,

for an Investment Company named as an Insured, BUT ONLY while (i) such officer, partner or employee is performing acts coming within the scope of the usual duties of an officer or employee of an Insured, or (ii) such officer, director, trustee, partner or employee is acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of the Insured, or (iii) such director or trustee (or anyone acting in a similar capacity) is acting outside the scope of the usual duties of a director or trustee;PROVIDED, that the term “Employee” shall not include any officer, director, trustee, partner or employee of a transfer agent, shareholder accounting recordkeeper or administrator (x) which is not an “affiliated person” (as defined in Section 2(a) of the Investment Company Act of 1940) of an Investment Company named as Insured or of the adviser or underwriter of such Investment Company, or (y) which is a “Bank” (as defined in Section 2(a) of the Investment Company Act of 1940), and

(6) each individual assigned, by contract or by any agency furnishing temporary personnel, in either case on a contingent or part-time basis, to perform the usual duties of an employee in any office of the Insured, and

(7) each individual assigned to perform the usual duties of an employee or officer of any entity authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured, but excluding a processor which acts as transfer agent or in any other agency capacity for the Insured in issuing checks, drafts or securities, unless included under subsection (5) hereof, and

(8) each officer, partner or employee of

(a) any Depository or Exchange,

(b) any nominee in whose name is registered any Security included in the systems for the central handling of securities established and maintained by any Depository, and

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(c) any recognized service company which provides clerks or other personnel to any Depository or Exchange on a contract basis,

while such officer, partner or employee is performing services for any Depository in the operation of systems for the central handling of securities, and

(9) in the case of an Insured which is an "employee benefit plan" (as defined in Section 3 of the Employee Retirement Income Security Act of 1974 ("ERISA")) for officers, directors or employees of another Insured ("In-House Plan"), any "fiduciary" or other "plan official" (within the meaning of Section 412 of ERISA) of such In-House Plan, provided that such fiduciary or other plan official is a director, partner, officer, trustee or employee of an Insured (other than an In-House Plan).

Each employer of temporary personnel and each entity referred to in subsections (6) and (7) and their respective partners, officers and employees shall collectively be deemed to be one person for all the purposes of this Bond.

Brokers, agents, independent contractors, or representatives of the same general character shall not be considered Employees, except as provided in subsections (3), (6), and (7).

J. **"Exchange"** means any national securities exchange registered under the Securities Exchange Act of 1934.

K. **"Forgery"** means the physical signing on a document of the name of another person (whether real or fictitious) with the intent to deceive. A Forgery may be by means of mechanically reproduced facsimile signatures as well as handwritten signatures. Forgery does not include the signing of an individual's own name, regardless of such individual's authority, capacity or purpose.

L. **"Items of Deposit"** means one or more checks or drafts.

M. **"Investment Company"** or **"Fund"** means an investment company registered under the Investment Company Act of 1940.

N. **"Limit of Liability"** means, with respect to any Insuring Agreement, the limit of liability of the Underwriter for any Single Loss covered by such Insuring Agreement as set forth under the heading "Limit of Liability" in Item 3 of the Declarations or in any Rider for such Insuring Agreement.

O. **"Mysterious Disappearance"** means any disappearance of Property which, after a reasonable investigation has been conducted, cannot be explained.

P. **"Non-Fund"** means any corporation, business trust, partnership, trust or other entity which is not an Investment Company.

Q. **"Phone/Electronic Transaction Security Procedures"** means security procedures for Phone/Electronic Transactions as provided in writing to the Underwriter.

R. **"Phone/Electronic Transaction"** means any (1) redemption of shares issued by an Investment Company, (2) election concerning dividend options available to Fund shareholders, (3) exchange of shares in a registered account of one Fund into shares in an identically registered account of another Fund in the same complex pursuant to exchange privileges of the two Funds, or (4) purchase of shares issued by an Investment Company, which redemption, election, exchange or purchase is requested by voice over the telephone or through an Electronic Transmission.

S. **"Property"** means the following tangible items: money, postage and revenue stamps, precious metals, Securities, bills of exchange, acceptances, checks, drafts, or other written orders or directions to pay sums certain in money, certificates of deposit, due bills, money orders, letters of credit, financial futures contracts, conditional sales contracts, abstracts of title, insurance policies, deeds, mortgages, and assignments of any of the foregoing, and other valuable papers, including books of account and other records used by the Insured in the conduct of its business, and all other instruments similar to or in the nature of the foregoing (but excluding all data processing records), (1) in which the Insured has a legally cognizable interest, (2) in which the Insured acquired or should have acquired such an interest by reason of a predecessor's declared financial condition at the time of the Insured's consolidation or merger with, or purchase of the principal assets of, such predecessor or (3) which are held by the Insured for any purpose or in any capacity.

T. **"Securities"** means original negotiable or non-negotiable agreements or instruments which represent an equitable or legal interest, ownership or debt (including stock certificates, bonds, promissory notes, and assignments thereof), which are in the ordinary course of business and transferable by physical delivery with appropriate endorsement or assignment. "Securities" does not include bills of exchange, acceptances, certificates of deposit, checks, drafts, or other written orders or directions to pay sums certain in money, due bills, money orders, or letters of credit.

U. **"Security Company"** means an entity which provides or purports to provide the transport of Property by secure means, including, without limitation, by use of armored vehicles or guards.

V. **"Self Regulatory Organization"** means any association of investment advisers or securities dealers registered under the federal securities laws, or any Exchange.

W. **"Shareholder of Record"** means the record owner of shares issued by an Investment Company or, in the case of joint ownership of such shares, all record owners, as designated (1) in the initial account application, or (2) in writing accompanied by a signature guarantee, or (3) pursuant to procedures as set forth in the Application.

X. **"Single Loss"** means:

(1) all loss resulting from any one actual or attempted Theft committed by one person, or

(2) all loss caused by any one act (other than a Theft or a Dishonest or Fraudulent Act) committed by one person, or

(3) all loss caused by Dishonest or Fraudulent Acts committed by one person, or

(4) all expenses incurred with respect to any one audit or examination, or

(5) all loss caused by any one occurrence or event other than those specified in subsections (1) through (4) above.

All acts or omissions of one or more persons which directly or indirectly aid or, by failure to report or otherwise, permit the continuation of an act referred to in subsections (1) through (3) above of any other person shall be deemed to be the acts of such other person for purposes of this subsection.

All acts or occurrences or events which have as a common nexus any fact, circumstance, situation, transaction or series of facts, circumstances, situations, or transactions shall be deemed to be one act, one occurrence, or one event.

Y. **"Telefacsimile"** means a system of transmitting and reproducing fixed graphic material (as, for example, printing) by means of signals transmitted over telephone lines or over the Internet.

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Z. "Theft" means robbery, burglary or hold-up, occurring with or without violence or the threat of violence.

SECTION 2. EXCLUSIONS

THIS BOND DOES NOT COVER:

A. Loss resulting from (1) riot or civil commotion outside the United States of America and Canada, or (2) war, revolution, insurrection, action by armed forces, or usurped power, wherever occurring; except if such loss occurs while the Property is in transit, is otherwise covered under Insuring Agreement D, and when such transit was initiated, the Insured or any person initiating such transit on the Insured's behalf had no knowledge of such riot, civil commotion, war, revolution, insurrection, action by armed forces, or usurped power.

B. Loss in time of peace or war resulting from nuclear fission or fusion or radioactivity, or biological or chemical agents or hazards, or fire, smoke, or explosion, or the effects of any of the foregoing.

C. Loss resulting from any Dishonest or Fraudulent Act committed by any person while acting in the capacity of a member of the Board of Directors or any equivalent body of the Insured or of any other entity.

D. Loss resulting from any nonpayment or other default of any loan or similar transaction made by the Insured or any of its partners, directors, officers or employees, whether or not authorized and whether procured in good faith or through a Dishonest or Fraudulent Act, unless such loss is otherwise covered under Insuring Agreement A, E or F.

E. Loss resulting from any violation by the Insured or by any Employee of any law, or any rule or regulation pursuant thereto or adopted by a Self Regulatory Organization, regulating the issuance, purchase or sale of securities, securities transactions upon security exchanges or over the counter markets, Investment Companies, or investment advisers, unless such loss, in the absence of such law, rule or regulation, would be covered under Insuring Agreement A, E or F.

F. Loss resulting from Property that is the object of Theft, Dishonest or Fraudulent Act, or Mysterious Disappearance while in the custody of any Security Company, unless such loss is covered under this Bond and is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with such Security Company, and (2) insurance or indemnity of any kind carried by such Security Company for the benefit of, or otherwise available to, users of its service, in which case this Bond shall cover only such excess, subject to the applicable Limit of Liability and Deductible Amount.

G. Potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Bond, except when covered under Insuring Agreement H.

H. Loss in the form of (1) damages of any type for which the Insured is legally liable, except direct compensatory damages, or (2) taxes, fines, or penalties, including without limitation two-thirds of treble damage awards pursuant to judgments under any statute or regulation.

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I. Loss resulting from the surrender of Property away from an office of the Insured as a result of a threat

(1) to do bodily harm to any person, except where the Property is in transit in the custody of any person acting as messenger as a result of a threat to do bodily harm to such person, if the Insured had no knowledge of such threat at the time such transit was initiated, or

(2) to do damage to the premises or Property of the Insured,

unless such loss is otherwise covered under Insuring Agreement A.

J. All costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Bond, except to the extent certain audit expenses are covered under Insuring Agreement B.

K. Loss resulting from payments made to or withdrawals from any account, involving funds erroneously credited to such account, unless such loss is otherwise covered under Insuring Agreement A.

L. Loss resulting from uncollectible Items of Deposit which are drawn upon a financial institution outside the United States of America, its territories and possessions, or Canada.

M. Loss resulting from the Dishonest or Fraudulent Acts, Theft, or other acts or omissions of an Employee primarily engaged in the sale of shares issued by an Investment Company to persons other than (1) a person registered as a broker under the Securities Exchange Act of 1934 or (2) an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, which is not an individual.

N. Loss resulting from the use of credit, debit, charge, access, convenience, identification, cash management or other cards, whether such cards were issued or purport to have been issued by the Insured or by anyone else, unless such loss is otherwise covered under Insuring Agreement A.

O. Loss resulting from any purchase, redemption or exchange of securities issued by an Investment Company or other Insured, or any other instruction, request, acknowledgement, notice or transaction involving securities issued by an Investment Company or other Insured or the dividends in respect thereof, when any of the foregoing is requested, authorized or directed or purported to be requested, authorized or directed by voice over the telephone or by Electronic Transmission, unless such loss is otherwise covered under Insuring Agreement A or Insuring Agreement I.

P. Loss resulting from any Dishonest or Fraudulent Act or Theft committed by an Employee as defined in Section 1.I(2), unless such loss (1) could not have been reasonably discovered by the due diligence of the Insured at or prior to the time of acquisition by the Insured of the assets acquired from a predecessor, and (2) arose out of a lawsuit or valid claim brought against the Insured by a person unaffiliated with the Insured or with any person affiliated with the Insured.

Q. Loss resulting from the unauthorized entry of data into, or the deletion or destruction of data in, or the change of data elements or programs within, any Computer System, unless such loss is otherwise covered under Insuring Agreement A.

SECTION 3. ASSIGNMENT OF RIGHTS

Upon payment to the Insured hereunder for any loss, the Underwriter shall be subrogated to the extent of such payment to all of the Insured's rights and claims in connection with such loss; provided, however, that the Underwriter shall not be subrogated to any such rights or claims one named Insured under this Bond may have against another named Insured under this Bond. At the request of the Underwriter, the Insured shall execute all assignments or other documents and take such action as the Underwriter may deem necessary or desirable to secure and perfect such rights and claims, including the execution of documents necessary to enable the Underwriter to bring suit in the name of the Insured.

Assignment of any rights or claims under this Bond shall not bind the Underwriter without the Underwriter's written consent.

SECTION 4. LOSS—NOTICE—PROOF—LEGAL PROCEEDINGS

This Bond is for the use and benefit only of the Insured and the Underwriter shall not be liable hereunder to anyone other than the Insured. As soon as practicable and not more than sixty (60) days after discovery, the Insured shall give the Underwriter written notice thereof and, as soon as practicable and within one year after such discovery, shall also furnish to the Underwriter affirmative proof of loss with full particulars. The Underwriter may extend the sixty day notice period or the one year proof of loss period if the Insured requests an extension and shows good cause therefor.

See also General Agreement C (Court Costs and Attorneys' Fees).

The Underwriter shall not be liable hereunder for loss of Securities unless each of the Securities is identified in such proof of loss by a certificate or bond number or by such identification means as the Underwriter may require. The Underwriter shall have a reasonable period after receipt of a proper affirmative proof of loss within which to investigate the claim, but where the Property is Securities and the loss is clear and undisputed, settlement shall be made within forty-eight (48) hours even if the loss involves Securities of which duplicates may be obtained.

The Insured shall not bring legal proceedings against the Underwriter to recover any loss hereunder prior to sixty (60) days after filing such proof of loss or subsequent to twenty-four (24) months after the discovery of such loss or, in the case of a legal proceeding to recover hereunder on account of any judgment against the Insured in or settlement of any suit mentioned in General Agreement C or to recover court costs or attorneys' fees paid in any such suit, twenty-four (24) months after the date of the final judgment in or settlement of such suit. If any limitation in this Bond is prohibited by any applicable law, such limitation shall be deemed to be amended to be equal to the minimum period of limitation permitted by such law.

Notice hereunder shall be given to Manager, Professional Liability Claims, ICI Mutual Insurance Company, 1401 H St. NW, Washington, DC 20005.

SECTION 5. DISCOVERY

For all purposes under this Bond, a loss is discovered, and discovery of a loss occurs, when the Insured

(1) becomes aware of facts, or

(2) receives notice of an actual or potential claim by a third party which alleges that the Insured is liable under circumstances,

which would cause a reasonable person to assume that loss covered by this Bond has been or is likely to be incurred even though the exact amount or details of loss may not be known.

SECTION 6. VALUATION OF PROPERTY

For the purpose of determining the amount of any loss hereunder, the value of any Property shall be the market value of such Property at the close of business on the first business day before the discovery of such loss; except that

(1) the value of any Property replaced by the Insured prior to the payment of a claim therefor shall be the actual market value of such Property at the time of replacement, but not in excess of the market value of such Property on the first business day before the discovery of the loss of such Property;

(2) the value of Securities which must be produced to exercise subscription, conversion, redemption or deposit privileges shall be the market value of such privileges immediately preceding the expiration thereof if the loss of such Securities is not discovered until after such expiration, but if there is no quoted or other ascertainable market price for such Property or privileges referred to in clauses (1) and (2), their value shall be fixed by agreement between the parties or by arbitration before an arbitrator or arbitrators acceptable to the parties; and

(3) the value of books of accounts or other records used by the Insured in the conduct of its business shall be limited to the actual cost of blank books, blank pages or other materials if the books or records are reproduced plus the cost of labor for the transcription or copying of data furnished by the Insured for reproduction.

SECTION 7. LOST SECURITIES

The maximum liability of the Underwriter hereunder for lost Securities shall be the payment for, or replacement of, such Securities having an aggregate value not to exceed the applicable Limit of Liability. If the Underwriter shall make payment to the Insured for any loss of Securities, the Insured shall assign to the Underwriter all of the Insured's right, title and interest in and to such Securities. In lieu of such payment, the Underwriter may, at its option, replace such lost Securities, and in such case the Insured shall cooperate to effect such replacement. To effect the replacement of lost Securities, the Underwriter may issue or arrange for the issuance of a lost instrument bond. If the value of such Securities does not exceed the applicable Deductible Amount (at the time of the discovery of the loss), the Insured will pay the usual premium charged for the lost instrument bond and will indemnify the issuer of such bond against all loss and expense that it may sustain because of the issuance of such bond.

If the value of such Securities exceeds the applicable Deductible Amount (at the time of discovery of the loss), the Insured will pay a proportion of the usual premium charged for the lost instrument bond, equal to the percentage that the applicable Deductible Amount bears to the value of such Securities upon discovery of the loss, and will indemnify the issuer of such bond against all loss and expense that is not recovered from the Underwriter under the terms and conditions of this Bond, subject to the applicable Limit of Liability.

SECTION 8. SALVAGE

If any recovery is made, whether by the Insured or the Underwriter, on account of any loss within the applicable Limit of Liability hereunder, the Underwriter shall be entitled to the full amount of such recovery to reimburse the Underwriter for all amounts paid hereunder with respect to such loss. If any recovery is made, whether by the Insured or the Underwriter, on account of any loss in excess of the applicable Limit of Liability hereunder plus the Deductible Amount applicable to such loss from any source other than suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Underwriter, the amount of such recovery, net of the actual costs and expenses of recovery, shall be applied to reimburse the Insured in full for the portion of such loss in excess of such Limit of Liability, and the remainder, if any, shall be paid first to reimburse the Underwriter for all amounts paid hereunder with respect to such loss and then to the Insured to the extent of the portion of such loss within the Deductible Amount. The Insured shall execute all documents which the Underwriter deems necessary or desirable to secure to the Underwriter the rights provided for herein.

SECTION 9. NON-REDUCTION AND NON-ACCUMULATION OF LIABILITY AND TOTAL LIABILITY

Prior to its termination, this Bond shall continue in force up to the Limit of Liability for each Insuring Agreement for each Single Loss, notwithstanding any previous loss (other than such Single Loss) for which the Underwriter may have paid or be liable to pay hereunder; PROVIDED, however, that regardless of the number of years this Bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Underwriter under this Bond with respect to any Single Loss shall be limited to the applicable Limit of Liability irrespective of the total amount of such Single Loss and shall not be cumulative in amounts from year to year or from period to period.

SECTION 10. MAXIMUM LIABILITY OF UNDERWRITER; OTHER BONDS OR POLICIES

The maximum liability of the Underwriter for any Single Loss covered by any Insuring Agreement under this Bond shall be the Limit of Liability applicable to such Insuring Agreement, subject to the applicable Deductible Amount and the other provisions of this Bond. Recovery for any Single Loss may not be made under more than one Insuring Agreement. If any Single Loss covered under this Bond is recoverable or recovered in whole or in part because of an unexpired discovery period under any other bonds or policies issued by the Underwriter to the Insured or to any predecessor in interest of the Insured, the maximum liability of the Underwriter shall be the greater of either (1) the applicable Limit of Liability under this Bond, or (2) the maximum liability of the Underwriter under such other bonds or policies.

SECTION 11. OTHER INSURANCE

Notwithstanding anything to the contrary herein, if any loss covered by this Bond shall also be covered by other insurance or suretyship for the benefit of the Insured, the Underwriter shall be liable hereunder only for the portion of such loss in excess of the amount recoverable under such other insurance or suretyship, but not exceeding the applicable Limit of Liability of this Bond.

SECTION 12. DEDUCTIBLE AMOUNT

The Underwriter shall not be liable under any Insuring Agreement unless the amount of the loss covered thereunder, after deducting the net amount of all reimbursement and/or recovery received by the Insured with respect to such loss (other than from any other bond, suretyship or insurance policy or as an advance by the Underwriter hereunder) shall exceed the applicable Deductible Amount; in such case the Underwriter shall be liable only for such excess, subject to the applicable Limit of Liability and the other terms of this Bond.

No Deductible Amount shall apply to any loss covered under Insuring Agreement A sustained by any Investment Company named as an Insured.

SECTION 13. TERMINATION

The Underwriter may terminate this Bond as to any Insured or all Insureds only by written notice to such Insured or Insureds and, if this Bond is terminated as to any Investment Company, to each such Investment Company terminated thereby and to the Securities and Exchange Commission, Washington, D.C., in all cases not less than sixty (60) days prior to the effective date of termination specified in such notice.

The Insured may terminate this Bond only by written notice to the Underwriter not less than sixty (60) days prior to the effective date of the termination specified in such notice. Notwithstanding the foregoing, when the Insured terminates this Bond as to any Investment Company, the effective date of termination shall be not less than sixty (60) days from the date the Underwriter provides written notice of the termination to each such Investment Company terminated thereby and to the Securities and Exchange Commission, Washington, D.C.

This Bond will terminate as to any Insured that is a Non-Fund immediately and without notice upon (1) the takeover of such Insured's business by any State or Federal official or agency, or by any receiver or liquidator, or (2) the filing of a petition under any State or Federal statute relative to bankruptcy or reorganization of the Insured, or assignment for the benefit of creditors of the Insured.

Premiums are earned until the effective date of termination. The Underwriter shall refund the unearned premium computed at short rates in accordance with the Underwriter's standard short rate cancellation tables if this Bond is terminated by the Insured or pro rata if this Bond is terminated by the Underwriter.

Upon the detection by any Insured that an Employee has committed any Dishonest or Fraudulent Act(s) or Theft, the Insured shall immediately remove such Employee from a position that may enable such Employee to cause the Insured to suffer a loss by any subsequent Dishonest or Fraudulent Act(s) or Theft. The Insured, within two (2) business days of such detection, shall notify the Underwriter with full and complete particulars of the detected Dishonest or Fraudulent Act(s) or Theft.

For purposes of this section, detection occurs when any partner, officer, or supervisory employee of any Insured, who is not in collusion with such Employee, becomes aware that the Employee has committed any Dishonest or Fraudulent Act(s) or Theft.

This Bond shall terminate as to any Employee by written notice from the Underwriter to each Insured and, if such Employee is an Employee of an Insured Investment Company, to the Securities and Exchange Commission, in all cases not less than sixty (60) days prior to the effective date of termination specified in such notice.

SECTION 14. RIGHTS AFTER TERMINATION

At any time prior to the effective date of termination of this Bond as to any Insured, such Insured may, by written notice to the Underwriter, elect to purchase the right under this Bond to an additional period of twelve (12) months within which to discover loss sustained by such Insured prior to the effective date of such termination and shall pay an additional premium therefor as the Underwriter may require.

Such additional discovery period shall terminate immediately and without notice upon the takeover of such Insured’s business by any State or Federal official or agency, or by any receiver or liquidator. Promptly after such termination the Underwriter shall refund to the Insured any unearned premium.

The right to purchase such additional discovery period may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured’s business.

SECTION 15. CENTRAL HANDLING OF SECURITIES

The Underwriter shall not be liable for loss in connection with the central handling of securities within the systems established and maintained by any Depository (“Systems”), unless the amount of such loss exceeds the amount recoverable or recovered under any bond or policy or participants’ fund insuring the Depository against such loss (the “Depository’s Recovery”); in such case the Underwriter shall be liable hereunder only for the Insured’s share of such excess loss, subject to the applicable Limit of Liability, the Deductible Amount and the other terms of this Bond.

For determining the Insured’s share of such excess loss, (1) the Insured shall be deemed to have an interest in any certificate representing any security included within the Systems equivalent to the interest the Insured then has in all certificates representing the same security included within the Systems; (2) the Depository shall have reasonably and fairly apportioned the Depository’s Recovery among all those having an interest as recorded by appropriate entries in the books and records of the Depository in Property involved in such loss, so that each such interest shall share in the Depository’s Recovery in the ratio that the value of each such interest bears to the total value of all such interests; and (3) the Insured’s share of such excess loss shall be the amount of the Insured’s interest in such Property in excess of the amount(s) sgh privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms the Company deems appropriate and subject to the Company's cash requirements for other purposes, compliance with the covenants under the Company's revolving credit facility, and other factors management deems relevant. The authorization does not obligate the Company to acquire a specific number of shares during any period, and the authorization may be modified, suspended or discontinued at any time at the discretion of the Board. Management expects to fund share repurchases using available cash and cash generated from operations. Repurchased shares will become authorized but unissued common shares. In the fourth quarter of fiscal 2017, the Company did not repurchase any common shares under the authorization. At April 30, 2017, $65.0 million remained authorized by the Company's Board of Directors to repurchase the Company's common shares.

Stock Performance Graph

The performance graph shown below compares the percentage change in the cumulative total shareholder return on our common stock against the cumulative total return of the Russell 2000 Index and Standard & Poor's Household Durables Index for the period from April 30, 2012 through April 30, 2017. The graph assumes an initial investment of $100 and the reinvestment of dividends.

	2012	2013	2014	2015	2016	2017
American Woodmark Corporation	$100.00	$187.47	$167.19	$282.45	$405.79	$511.98
Russell 2000 Index	100.00	117.69	141.82	155.58	146.33	183.84
S&P Household Durables Index	100.00	152.57	179.77	210.71	218.10	250.47

The graph and related information above are not deemed to be "filed" with the Securities and Exchange ("SEC") for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference into any future filing made by us with the SEC, except to the extent that we specifically incorporate it by reference into any such filing.

Item 6. SELECTED FINANCIAL DATA

	FISCAL YEARS ENDED APRIL 30				
(in millions except per share data)	2017	2016	2015[1]	2014[1]	2013[1]
FINANCIAL STATEMENT DATA					
Net sales	$1,030.2	$947.0	$825.5	$726.5	$630.4
Operating income	108.2	93.2	54.7	34.1	17.2
Net income	71.2	58.7	35.5	20.5	9.8
Earnings per share:					
Basic	4.38	3.61	2.25	1.34	0.67
Diluted	4.34	3.57	2.21	1.31	0.66
Depreciation and amortization expense	18.7	16.5	14.5	14.5	14.4
Total assets[2]	501.3	466.4	398.8	330.0	293.9
Long-term debt, less current maturities[2]	15.3	22.1	21.4	20.4	23.5
Total shareholders' equity	352.4	280.8	229.8	190.5	146.2
Average shares outstanding					
Basic	16.3	16.3	15.8	15.3	14.6
Diluted	16.4	16.4	16.0	15.7	14.8
PERCENT OF SALES					
Gross profit	21.8 %	21.1 %	18.5 %	17.1 %	16.3 %
Selling, general and administrative expenses	11.3	11.2	11.9	12.5	13.5
Income before income taxes	10.6	9.7	6.6	4.5	2.7
Net income	6.9	6.2	4.3	2.7	1.5
RATIO ANALYSIS					
Current ratio	3.3	3.3	3.2	2.8	2.4
Inventory turnover[3]	19.6	19.8	19.9	19.8	20.4
Collection period - days[4]	32.5	31.2	31.6	32.8	31.4
Percentage of capital (long-term debt plus equity):					
Long-term debt, less current maturities[2]	4.2 %	7.4 %	8.5 %	9.7 %	13.8 %
Equity	95.8	92.6	91.4	90.3	86.1
Return on equity (average %)	22.5	23.0	16.9	12.2	7.1

1 The Company announced plans to realign its manufacturing network during fiscal 2012. During fiscal 2013, the charges related to these initiatives decreased operating income, net income and earnings per share by $1,433,000, $874,000 and $0.06, respectively. During fiscal 2014, the credits related to these initiatives increased operating income, net income and earnings per share by $234,000, $142,000 and $0.01, respectively. During fiscal 2015, the credits related to these initiatives increased operating income, net income and earnings per share by $240,000, $147,000 and $0.01, respectively.

2 Total assets and Long-term debt, less current maturities for fiscal 2016, 2015, 2014 and 2013 have been retrospectively revised to reflect the adoption of FASB ASU No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs."

3 Based on average beginning and ending inventory.

4 Based on the ratio of average monthly customer receivables to average sales per day.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The following table sets forth certain income and expense items as a percentage of net sales:

	PERCENTAGE OF NET SALES Fiscal Years Ended April 30		
	2017	2016	2015
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales and distribution	78.2	78.9	81.5
Gross profit	21.8	21.1	18.5
Selling and marketing expenses	6.9	7.0	7.8
General and administrative expenses	4.4	4.3	4.1
Operating income	10.5	9.8	6.6
Interest expense/other (income) expense	(0.1)	0.1	—
Income before income taxes	10.6	9.7	6.6
Income tax expense	3.7	3.5	2.3
Net income	6.9	6.2	4.3

The following discussion should be read in conjunction with the Selected Financial Data and the Consolidated Financial Statements and the related notes contained elsewhere in this report.

Forward-Looking Statements

This annual report contains statements concerning the Company’s expectations, plans, objectives, future financial performance and other statements that are not historical facts. These statements may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, the reader can identify forward-looking statements by words such as “anticipate,” “estimate,” “forecast,” “expect,” “believe,” “should,” “could,” “wou “plan,” “may,” "intend," "estimate," "prospect," "goal," "will," "predict," "potential" or other similar words. Forward-looking statements contained in this annual report, including elsewhere in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” are based on current expectations and our actual results may differ materially from those projected in any forward-looking statements. In addition, the Company participates in an industry that is subject to rapidly changing conditions and there are numerous factors that could cause the Company to experience a decline in sales and/or earnings or deterioration in financial condition. Factors that could cause actual results to differ materially from those in forward-looking statements made in this report include but are not limited to:

- general economic or business conditions and instability in the financial and credit markets, including their potential impact on the Company's (i) sales and operating costs and access to financing; and (ii) customers and suppliers and their ability to obtain financing or generate the cash necessary to conduct their respective businesses;
- the volatility in mortgage rates and unemployment rates;
- slower growth in personal income and residential investment;
- the cyclical nature of the Company’s industry, which is particularly sensitive to changes in consumer confidence, the amount of consumers’ income available for discretionary purchases, and the availability and terms of consumer credit;
- economic weakness in a specific channel of distribution;
- the loss of sales from specific customers due to their loss of market share, bankruptcy or switching to a competitor;

- risks associated with domestic manufacturing operations and suppliers, including fluctuations in capacity utilization and the prices and availability of key raw materials as well as fuel, transportation, warehousing and labor costs and environmental compliance, possible import tariffs and remediation costs;
- the need to respond to price or product initiatives launched by a competitor;
- the ability to retain and motivate Company employees;
- the Company's ability to successfully implement initiatives related to increasing market share, new products, maintaining and increasing its sales force and new product displays; and
- sales growth at a rate that outpaces the Company's ability to install new manufacturing capacity or a sales decline that requires reduction or realignment of the Company's manufacturing capacity.

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Additional information concerning the factors that could cause actual results to differ materially from those in forward-looking statements is contained in this annual report, including elsewhere in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and under Item 1A. “Risk Factors,” and Item 7A. “Quantitative and Qualitative Disclosures about Market Risk.” While the Company believes that these risks are manageable and will not adversely impact the long-term performance of the Company, these risks could, under certain circumstances, have a material adverse impact on its operating results and financial condition.

Any forward-looking statement that the Company makes speaks only as of the date of this annual report. The Company undertakes no obligation to publicly update or revise any forward-looking statements or cautionary factors, as a result of new information, future events or otherwise, except as required by law.

Overview

American Woodmark Corporation manufactures and distributes kitchen cabinets and vanities for the remodeling and new home construction markets. Its products are sold on a national basis directly to home centers, major builders and home manufacturers and through a network of independent dealers and distributors. At April 30, 2017, the Company operated 9 manufacturing facilities and 7 service centers across the country.

During the Company’s fiscal year that ended on April 30, 2017 ("fiscal 2017"), the Company continued to experience improving housing market conditions from the housing market downturn that began in 2007.

A number of general market factors impacted the Company's business in fiscal 2017, including:

- The unemployment rate improved by 12% compared to April 2016, falling to 4.4% as of April 2017 according to data provided by the U.S. Department of Labor;
- Increases in single family housing starts during the Company’s fiscal 2017 of 6%, as compared to the Company’s fiscal 2016, according to the U.S. Department of Commerce;
- Mortgage interest rates decreased with a 30-year fixed mortgage rate of 4.05% in April 2017, an improvement of approximately 44 basis points compared to April 2016;
- The median price of existing homes sold in the U.S. rose by 3.5% during the Company’s fiscal 2017, according to data provided by the National Association of Realtors;
- Consumer sentiment, as reported by the University of Michigan, averaged 2% higher during the Company’s fiscal 2016 than in its prior fiscal year; and
- Cabinet sales, as reported by members of the Kitchen Cabinet Manufacturers Association (KCMA), increased by 4% during fiscal 2017 versus the prior fiscal year, suggesting an increase in both new construction and remodeling sales of cabinets.

The Company’s largest remodeling customers and competitors continued to utilize sales promotions in the Company’s product category during fiscal 2017 to boost sales. The Company strives to maintain its promotional levels in line with market activity, with a goal of remaining competitive. The Company experienced promotional levels during fiscal 2017 that were higher than those experienced in its prior fiscal year. The Company’s remodeling sales were flat during fiscal 2017, below the overall remodeling market.

The Company increased its net sales by 9% during fiscal 2017. The Company realized strong sales gains in its new construction channel during fiscal 2017, where sales increased by more than 17%, significantly outpacing the improvement in single-family housing starts for the same period. Management believes the Company over indexed the market due to share penetration with our builder partners and the health of the markets where we concentrated our business during fiscal 2017.

Gross margin for fiscal 2017 was 21.8%, an improvement from 21.1% in fiscal 2016. The increase in the Company's gross margin rate was driven by the beneficial impact of increased sales volume, lower labor benefit costs and improved operating efficiency.

The Company regularly considers the need for a valuation allowance against its deferred tax assets. The Company has been profitable for the last 5 years. As of April 30, 2017, the Company had total deferred tax assets of $27.5 million, down from $41.3 million at April 30, 2016. The Company's deferred tax assets decreased in fiscal 2017 primarily due to Company contributions to the pension plans as well as better than expected returns from the plans' assets. The Company's deferred tax assets increased in fiscal 2016 due to an increase in the unfunded pension obligation, as a result of a decrease in the discount rate and the Company updating to the new RP-2014 mortality tables, with generational MP-2015 projections. To fully realize its remaining net deferred tax assets, the Company will need to, among other things, substantially reduce its unfunded pension obligation of $28.0 million at April 30, 2017. The Company recorded a valuation allowance related to deferred tax assets for certain state investment tax credit (ITC) carryforwards during fiscal 2016. In fiscal 2017, the Company reassessed the valuation allowance related to ITCs and released $0.6 million of the valuation allowance recorded in the fiscal 2016.

The Company expects to continue funding its pension plans for the foreseeable future, which will reduce both its unfunded pension plan obligation and its deferred tax asset. The recent improvement in the U.S. housing market and the Company's continued ability to grow its sales at a faster rate than its competitors, enabled the Company to generate net income during fiscal 2017 like it has done since fiscal 2013. The Company believes that the positive evidence of the housing industry improvement, coupled with the benefits from the Company's successful restructuring and continued market share gains have already driven a return to profitability that is expected to continue. Accordingly, Management has concluded it is more likely than not that the Company will realize its deferred tax assets.

The Company also regularly assesses its long-lived assets to determine if any impairment has occurred. The Company has concluded that none of the long-lived assets pertaining to its nine manufacturing plants or any of its other long-lived assets were impaired as of April 30, 2017.

Results of Operations

	FISCAL YEARS ENDED APRIL 30				
(in thousands)	2017	2016	2015	2017 vs. 2016 PERCENT CHANGE	2016 vs. 2015 PERCENT CHANGE
Net sales	$1,030,248	$947,045	$825,465	9 %	15 %
Gross profit	224,636	199,694	152,532	12	31
Selling and marketing expenses	70,979	66,489	64,304	7	3
General and administrative expenses	45,419	40,045	33,773	13	19
Interest expense	885	378	515	134	(27)

Net Sales

Net sales were $1,030.2 million in fiscal 2017, an increase of $83.2 million, or 9%, compared with fiscal 2016. Overall unit volume for fiscal 2017 was 8.0% higher than in fiscal 2016, which was driven primarily by the Company's increased new construction and dealer volume. Average revenue per unit increased 0.8% in fiscal 2017, driven by improvements in the Company's product mix and pricing.

Net sales were $947.0 million in fiscal 2016, an increase of $121.6 million, or 15%, compared with fiscal 2015. Overall unit volume for fiscal 2016 was 12% higher than in fiscal 2015, which was driven primarily by the Company's increased new construction and dealer volume. Average revenue per unit increased 3% in fiscal 2016, driven by improvements in the Company's product mix and pricing.

Gross Profit

Gross profit as a percentage of sales increased to 21.8% in fiscal 2017 as compared with 21.1% in fiscal 2016. The improvement in gross profit margin was due primarily to the beneficial impact of increased sales volume, lower labor benefit costs and improved operating efficiency.

During fiscal 2016, the Company's gross profit increased as a percentage of net sales to 21.1% from 18.5% in fiscal 2015. The improvement in gross profit margin was due primarily to the beneficial impact of increased sales volume, customer management, product mix, pricing and improved operating efficiency. This favorability was partially offset by the impact of additional depreciation costs related to the previously announced plant expansion and costs associated with crewing and infrastructure to support higher levels of sales and installation activity.

Selling and Marketing Expenses

Selling and marketing expenses in fiscal 2017 were 6.9% of net sales, compared with 7.0% of net sales in fiscal 2016. Selling and marketing costs increased only by 7% despite a 9% increase in net sales. The improvement in the percentage of sales and marketing costs in relation to net sales was due to favorable leverage from increased sales, on-going expense control and lower display costs and commissions.

Selling and marketing expenses were 7.0% of net sales in fiscal 2016 compared with 7.8% in fiscal 2015. The improvement in the percentage of sales and marketing costs in relation to net sales was due to favorable leverage from increased sales, on-going expense control and lower display and product launch costs.

General and Administrative Expenses

General and administrative expenses increased by $5.4 million or 13.4% during fiscal 2017. The increase was related to increased staffing costs and the incurrence of corporate business development expenses related to a potential M&A transaction that we ultimately decided not to pursue. General and administrative costs increased to 4.4% of net sales in fiscal 2017 compared with 4.3% of net sales in fiscal 2016.

General and administrative expenses in fiscal 2016 increased by $6.3 million, or 18.6%, compared with fiscal 2015 and represented 4.3% of net sales, compared with 4.1% of net sales for fiscal 2015. The increase in cost was related to increased pay-for-performance compensation and staffing costs.

Effective Income Tax Rates

The Company generated pre-tax income of $108.9 million during fiscal 2017. The Company's effective tax rate decreased from 36.0% in fiscal 2016 to 34.6% in fiscal 2017. The lower effective tax rate was primarily due to the benefit from adopting ASU 2016-09 for equity based compensation. The Company's effective tax rate increased from 34.7% in fiscal 2015 to 36.0% in fiscal 2016. The higher effective tax rate was the result of the Company operating at a higher net income level than the prior year period and less favorable permanent tax differences.

Outlook for Fiscal 2018

The Company tracks several metrics, including but not limited to housing starts, existing home sales, mortgage interest rates, new jobs growth, GDP growth and consumer confidence, which it believes are leading indicators of overall demand for kitchen and bath cabinetry. The Company believes that housing starts will continue to improve, driven by low unemployment rates and growth in new household formation. However, the Company expects that while the cabinet remodeling market will show modest improvement during fiscal 2018 it will continue to be below historical averages.

The Company expects that industry-wide cabinet remodeling sales will continue to be challenged until economic trends remain consistently favorable. Growth is expected at roughly a mid-single digit rate during the Company's fiscal 2018. The Company expects its home center market share to remain at normalized levels for fiscal 2018, however this is heavily dependent upon competitive promotional activity, and it will continue to gain market share in its growing dealer business. This combination is expected to result in remodeling sales growth that exceeds the market rate.

Based on available information, it is expected that new residential construction starts will grow approximately 8 to 10% during fiscal 2018. The Company's new residential construction sales growth outperformed the new residential construction market during fiscal 2017, and management expects that it will again outperform the new residential construction market during fiscal 2018 but by a lesser rate than during fiscal 2017, as its comparable prior year sales levels become more challenging to exceed.

Inclusive of the potential for modest sales mix and pricing improvements, the Company expects that it will grow its total sales at a high-single digit rate in fiscal 2018. Despite anticipated material inflation and freight and transportation rate increases, the Company expects to improve gross margins and operating margins for fiscal 2018.

The Company had gross outlays for capital expenditures and customer display units of $25.5 million during fiscal 2017, and plans to increase its base spending level during fiscal 2018 now that it has started construction on its new corporate headquarters in Winchester, Virginia.

Additional risks and uncertainties that could affect the Company's results of operations and financial condition are discussed elsewhere in this annual report, including under "Forward-Looking Statements," and elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as under Item 1A. "Risk Factors" and Item 7A. "Quantitative and Qualitative Disclosures about Market Risk."

Liquidity and Capital Resources

The Company's cash, cash equivalents and investments in certificates of deposit totaled $249.2 million at April 30, 2017, which represented an increase of $30.7 million from April 30, 2016. Total debt was $16.9 million at April 30, 2017, a decrease of $6.8 million over the prior fiscal year and the ratio of long-term debt, excluding current maturities, to capital was 4.2% at April 30, 2017, down from 7.4% at April 30, 2016.

The Company's main source of liquidity is its cash and cash equivalents on hand and cash generated from its operating activities. The Company can borrow up to $35 million under its revolving credit facility with Wells Fargo Bank, N.A. (Wells Fargo), which expires on December 31, 2018. This facility had an available borrowing base of $35 million at April 30, 2017.

The Company's outstanding indebtedness and other obligations to Wells Fargo are unsecured. Under the terms of its revolving credit facility, the Company must: (1) maintain at the end of each fiscal quarter a ratio of total liabilities to tangible net worth of not greater than 1.4 to 1.0; (2) maintain at the end of each fiscal quarter a ratio of cash flow to fixed charges of not less than 1.5 to 1.0 measured on a rolling four-quarter basis; and (3) comply with other customary affirmative and negative covenants. The Company was in compliance with all covenants specified in the credit facility as of April 30, 2017, including as follows: (1) the Company's ratio of total liabilities to tangible net worth at April 30, 2017 was 0.42 to 1.0; and (2) cash flow to fixed charges for its most recent four quarters was 4.94 to 1.0. The Company expects to be in compliance with these covenants for fiscal 2018.

The revolving credit facility does not limit the Company's ability to pay dividends or repurchase its common stock as long as the Company is in compliance with these covenants.

OPERATING ACTIVITIES

Cash provided by operating activities in fiscal 2017 was $77.1 million, compared with $74.6 million in fiscal 2016. The $2.5 million improvement was primarily attributable to the Company's $12.5 million improvement in net income and an increase in accrued expenses, which was partially offset by an $23.1 million increase in cash used for excess pension contributions.

Cash provided by operating activities in fiscal 2016 was $74.6 million, compared with $60.2 million in fiscal 2015. The $14.4 million improvement was primarily attributable to the Company's $23.2 million improvement in net income and a $8.9 million decrease in cash used for the Company's working capital investment in inventory and customer receivables.

On August 25, 2016, the Board of Directors of the Company approved up to $20 million of discretionary funding to reduce its defined benefit pension liabilities. The Company made aggregate contributions of $27.3 million to its pension plans during fiscal 2017, including the $20.0 million of discretionary funding during fiscal 2017.

INVESTING ACTIVITIES

The Company's investing activities primarily consist of capital expenditures and investments in promotional displays. Net cash used by investing activities in fiscal 2017 was $53.7 million, compared with $40.8 million in fiscal 2016 and $56.6 million in fiscal 2015. Investments in property, plant and equipment for fiscal 2017 were $21.8 million, compared with $28.7 million in fiscal 2016 and $20.0 million in fiscal 2015. Investments in promotional displays were $3.7 million in fiscal 2017, compared with $4.4 million in fiscal 2016 and $2.4 million in fiscal 2015. On August 21, 2014, the Board of Directors of the Company approved a $30.0 million capital expansion project at its West Virginia facility, which was completed during fiscal 2016.

During fiscal 2017, the Company’s increase in net cash used for investing activities was primarily driven by a $19.8 million increase in investment in certificates of deposit, offset by a $6.9 million decrease in outflows for capital expenditures.

On November 30, 2016 the Board of Directors of the Company approved the construction of a new corporate headquarters in Winchester, Virginia. The new space will consolidate employees that currently occupy four buildings in Winchester, Virginia and Frederick County, Virginia, in early calendar 2018. It is expected that the new building will be self-funded for approximately $30.0 million. During fiscal 2017, approximately $3.0 million was incurred related to the new corporate headquarters.

FINANCING ACTIVITIES

The Company realized a net outflow of $20.8 million from financing activities in fiscal 2017 compared with a net outflow of $8.9 million in fiscal 2016, and a net inflow of $10.3 million in fiscal 2015. Proceeds were generated from the exercise of stock options of $2.4 million in fiscal 2017, $8.1 million in fiscal 2016 and $14.3 million in fiscal 2015. During fiscal 2017 $11.7 million was used to repay long-term debt, compared with approximately $1.5 million in fiscal 2016 and $1.3 million in fiscal 2015.

The Company ended fiscal 2017 with $177.0 million in cash and cash equivalents. Under a stock repurchase authorization approved by its Board of Directors on November 20, 2014, the Company was authorized to purchase up to $25 million of the Company's common shares. On November 19, 2015, the Board of Directors of the Company authorized an additional repurchase of up to $20 million of the Company's common shares. On November 30, 2016, the Board of Directors authorized an additional stock repurchase program of up to $50 million of the Company's common shares. This authorization is in addition to the stock repurchase program authorized on November 19, 2015 and November 20, 2014. Repurchases may be made from time to time in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms the Company deems appropriate and subject to the Company's cash requirements for other purposes, compliance with the covenants under the Company's revolving credit facility, and other factors management deems relevant. At April 30, 2017, $65.0 million remained authorized by the Company's Board of Directors to repurchase the Company's common shares. The Company purchased a total of 178,118 common shares, for an aggregate purchase price of $13.4 million, during fiscal 2017, under the authorizations but none were repurchased in the fourth quarter of fiscal 2017. The Company continues to evaluate its cash on hand and prospects for future cash generation, and compare these against its plans for future capital expenditures. Although the evaluation of its future capital expenditures is ongoing, the Company expects that it will make repurchases of its common shares from time to time during fiscal 2018 subject to the Company's financial condition, capital requirements, results of operations and any other factors then deemed relevant.

Cash flow from operations combined with accumulated cash and cash equivalents on hand are expected to be more than sufficient to support forecasted working capital requirements, service existing debt obligations and fund capital expenditures for fiscal 2018.

The timing of the Company's contractual obligations as of April 30, 2017 is summarized in the table below:

	FISCAL YEARS ENDED APRIL 30				
(in thousands)	Total Amounts	2018	2019-2020	2021-2022	2023 and Thereafter
Economic development loans	$4,439	$—	$ 2,189	$ —	$ 2,250
Capital lease obligations	7,389	1,796	2,568	1,535	1,490
Other long-term debt	5,925	—	—	—	5,925
Operating lease obligations	5,816	2,884	2,195	721	16
Pension contributions[1]	18,020	5,720	5,810	5,210	1,280
Total	$41,589	$10,400	$ 12,762	$ 7,466	$ 10,961

[1] The estimated cost of the Company's two defined benefit pension plans is determined annually based upon the discount rate and other assumptions at fiscal year end. Future pension funding contributions beyond fiscal 2023 have not been determined at this time.

SEASONALITY

The Company’s business has historically been subjected to seasonal influences, with higher sales typically realized in the second and fourth fiscal quarters. General economic forces and changes in the Company’s customer mix have reduced seasonal fluctuations in revenue over the past few years.

For additional discussion of risks that could affect the Company and its business, see “Forward-Looking Statements” above, as well as Item 1A. “Risk Factors” and Item 7A. “Quantitative and Qualitative Disclosures About Market Risk.”

OFF-BALANCE SHEET ARRANGEMENTS

As of April 30, 2017 and 2016, the Company had no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES

Management has chosen accounting policies that are necessary to give reasonable assurance that the Company's operational results and financial position are accurately and fairly reported. The significant accounting policies of the Company are disclosed in Note A to the Consolidated Financial Statements included in this annual report. The following discussion addresses the accounting policies that management believes have the greatest potential impact on the presentation of the financial condition and operating results of the Company for the periods being reported and that require the most judgment.

Management regularly reviews these critical accounting policies and estimates with the Audit Committee of the Board of Directors.

Revenue Recognition. The Company utilizes signed sales agreements that provide for transfer of title to the customer upon delivery. The Company must estimate the amount of sales that have been transferred to third-party carriers but not delivered to customers. The estimate is calculated using a lag factor determined by analyzing the actual difference between shipment date and delivery date of orders over the past 12 months. Revenue is only recognized on those shipments which the Company believes have been delivered to the customer.

The Company recognizes revenue based on the invoice price less allowances for sales returns, cash discounts and other deductions as required under U.S. generally accepted accounting principles (GAAP). Collection is reasonably assured as determined through an analysis of accounts receivable data, including historical product returns and the evaluation of each customer's ability to pay. Allowances for sales returns are based on the historical relationship between shipments and returns. The Company believes that its historical experience is an accurate reflection of future returns.

Self Insurance. The Company is self-insured for certain costs related to employee medical coverage, workers' compensation liability, general liability, auto liability and property insurance. The Company maintains stop-loss coverage with third-party insurers to limit total exposure. The Company establishes a liability at each balance sheet date based on estimates for a variety of factors that influence the Company's ultimate cost. In the event that actual experience is substantially different from the estimates, the financial results for the period could be adversely affected. The Company believes that the methodologies used to estimate insurance liabilities are an accurate reflection of the liabilities as of the date of the balance sheet.

Pensions. The Company has two non-contributory defined benefit pension plans covering many of the Company's employees hired prior to April 30, 2012. Effective April 30, 2012, the Company froze all future benefit accruals under the Company's hourly and salaried defined benefit pension plans.

The estimated expense, benefits and pension obligations of these plans are determined using various assumptions. The most significant assumptions are the long-term expected rate of return on plan assets and the discount rate used to determine the present value of the pension obligations. The long-term expected rate of return on plan assets reflects the current mix of the plan assets invested in equities and bonds.

Beginning with the April 30, 2016 measurement, the Company refined the method used to determine the service and interest cost components of its net periodic benefit cost. Previously, the cost was determined using a single weighted-average discount rate derived from the yield curve. Under the refined method, known as the spot rate approach, individual spot rates along the yield curve that correspond with the timing of each benefit payment will be used. The Company believes this change provides a more precise measurement of service and interest costs by improving the correlation between projected cash outflows and corresponding spot rates on the yield curve. Compared to the previous method, the spot rate approach decreased the service and interest components of the benefit costs in fiscal 2017. There is no impact on the total benefit obligation.

The following is a summary of the potential impact of a hypothetical 1% change in actuarial assumptions for the discount rate, expected return on plan assets and consumer price index:

(in millions)	IMPACT OF 1% INCREASE	IMPACT OF 1% DECREASE
(decrease) increase		
Effect on annual pension expense	$ (1.1)	$ 0.9
Effect on projected pension benefit obligation	$ (21.5)	$ 27.4

Pension expense for fiscal 2017 and the assumptions used in that calculation are presented in Note H of the Consolidated Financial Statements. At April 30, 2017, the weighted average discount rate was 4.12% compared with 4.06% at April 30, 2016. The expected return on plan assets was 7.5% at both April 30, 2017, and April 30, 2016. The rate of compensation increase is not applicable for periods beyond April 30, 2012 because the Company froze its pension plans as of that date.

The projected performance of the Company's pension plans is largely dependent on the assumptions used to measure the obligations of the plans and to estimate future performance of the plans' invested assets. Over the past two measurement periods, the most material deviations between results based on assumptions and the actual plan performance have resulted from changes to the discount rate used to measure the plans' benefit obligations and the actual return on plan assets. Accounting guidelines require the discount rate to be set to a current market rate at each annual measurement date.

The Company strives to balance expected long-term returns and short-term volatility of pension plan assets. Favorable and unfavorable differences between the assumed and actual returns on plan assets are generally amortized over a period no longer than the average life expectancy of the plans' active participants. The actual rates of return on plan assets realized, net of investment manager fees, were 10.3%, (1.6)% and 6.6% for fiscal 2017, 2016 and 2015, respectively.

The fair value of plan assets at April 30, 2017 was $137.1 million compared with $107.0 million at April 30, 2016. The Company's projected benefit obligation exceeded plan assets by $28.0 million in fiscal 2017 and by $67.1 million in fiscal 2016. The $39.1 million decrease in the Company's net under-funded position during fiscal 2017 was primarily driven by the Company's $27.3 million contributions and actuarial gains and asset returns that were more than expected. The Company expects its pension expense to decrease from $(0.5) million in fiscal 2017 to $(1.6) million in fiscal 2018, due primarily to the improvement in the funded status of the plans, partially offset by a decrease in the expected long-term rate of return from 7.5% to 6.5%. The Company expects to contribute $5.7 million to its pension plans in fiscal 2018, which represents required and discretionary funding. The Company made contributions of $27.3 million to its pension plans in fiscal 2017.

Valuation of Deferred Tax Assets. The Company regularly considers the need for a valuation allowance against its deferred tax assets. Deferred tax assets are reduced by a valuation allowance when, after considering all positive and negative evidence, it is determined that it is more likely than not that some portion, or all, of the deferred tax asset will not be realized.

The Company has recorded a valuation allowance related to deferred tax assets for certain state investment tax credit (ITC) carryforwards. Deferred tax assets are reduced by a valuation allowance when, after considering all positive and negative evidence, it is determined that it is more likely than not that some portion, or all, of the deferred tax asset will not be realized.

The gross amount of state tax credit carryforwards related to state ITCs as of April 30, 2017 was $6.1 million. These credits expire in various years beginning in fiscal 2020. Net of the federal impact and related valuation allowance, the Company has recorded $1.6 million of deferred tax assets related to these credits. The Company accounts for ITCs under the deferral method, under which the tax benefit from the ITC is deferred and amortized into income tax expense over the book life of the related property. As of April 30, 2017, a deferred credit balance of $1.5 million is included in other liabilities on the balance sheet.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “Revenue from Contracts with Customers: Topic 606.” ASU 2014-09 supersedes the revenue recognition requirements in “Accounting Standard Codification 605 - Revenue Recognition” and most industry-specific guidance. The standard requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date." ASU 2015-14 defers the effective date of ASU 2014-09 by one year to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that period. The Company does not expect the adoption of ASU 2014-09 and ASU 2015-14 to have a material impact on results of operations, cash flows and financial position. The Company is continuing to evaluate the impact of ASU 2014-09 primarily to determine the transition method to utilize at adoption and the additional disclosures required.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." ASU 2016-02 requires lessees to recognize most leases on-balance sheet, which will increase reported assets and liabilities. Lessor accounting remains substantially similar to current U.S. GAAP. ASU 2016-02 supersedes "Topic 840 - Leases." ASU 2016-02 is effective for public companies for annual and interim periods in fiscal years beginning after December 15, 2018. ASU 2016-02 mandates a modified retrospective transition method for all entities. The Company is currently assessing the impact that ASU 2016-02 will have on its consolidated financial statements, however, if at adoption the Company has similar obligations for leases as it had at April 30, 2017, the Company believes this guidance will not have a material impact on its results of operations, cash flows and financial position.

In March 2016, the FASB issued ASU No. 2016-09, “Compensation - Stock Compensation (Topic 718): Improvements to Employee Shares-Based Payment Accounting.” ASU 2016-09 is intended to improve the accounting for share-based payment transactions as part of the FASB’s simplification initiative. ASU 2016-09 changes several aspects of the accounting for share-based payment award transactions, including: (1) accounting for income taxes; (2) classification of excess tax benefits on the statement of cash flows; (3) forfeitures; (4) minimum statutory tax withholding requirements; and (5) classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, and interim periods within those years for public companies. The Company early adopted this standard as of May 1, 2016. As a result, during fiscal 2017, it recognized the excess tax benefit of $1.3 million as income tax benefit on the condensed consolidated statements of income (adopted prospectively). The adoption did not impact the existing classification of the awards. Excess tax benefits from stock based compensation is now classified in net income in the statement of cash flows instead of being separately stated in financing activities for the twelve months ended April 30, 2017 (adopted prospectively). Additionally, the Company reclassified $2.8 million and $1.4 million of employee withholding taxes paid from operating activities into financing activities in the statement of cash flows for the twelve month periods ended April 30, 2016 and 2015, respectively, as required by ASU 2016-09 (adopted retrospectively). Following the adoption of the new standard, the Company elected to continue estimating the number of awards expected to be forfeited and adjust its estimate on an ongoing basis.

In April 2015, the FASB issued ASU 2015-03, “Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs.” The Company retrospectively adopted this standard on April 30, 2016, which resulted in the reclassification of approximately $0.3 million of debt issuance costs from other assets to long-term debt as of April 30, 2016. Adoption of the new guidance did not impact the Company's shareholder's equity, results of operations or statements of cash flows.

In May 2015, the FASB issued ASU No. 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent), which amends the disclosure requirements of Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, for reporting entities that measure the fair value of an investment using the net asset value per share (or its equivalent) as a practical expedient. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and also remove the requirements to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The Company retrospectively adopted this standard on April 30, 2017, which impacted the disclosure of investments, see Note H for additional information.

In March 2017, the FASB issued ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." ASU 2017-07 requires an employer to disaggregate the service cost component from the other components of net benefit (income) cost. The other components of net benefit (income) cost are required to be presented in the income statement separately from the service cost component and outside of operating income. The amendments also allow only the service cost component of net benefit (income) cost to be eligible for capitalization. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017. The amendments in this ASU should be applied (1) retrospectively for the presentation of the service cost component and the other components of net periodic pension (income) cost and net periodic postretirement benefit (income) cost on the income statement, and (2) prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension (income) cost and net periodic postretirement benefit (income) cost in assets. The Company is evaluating the effect this guidance will have on its results of operations, cash flows and financial position.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The costs of the Company's products are subject to inflationary pressures and commodity price fluctuations. The Company has generally been able, over time, to recover the effects of inflation and commodity price fluctuations through sales price increases.

On April 30, 2017, the Company had no material exposure to changes in interest rates for its debt agreements.

The Company does not currently use commodity or interest rate derivatives or similar financial instruments to manage its commodity price or interest rate risks.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED BALANCE SHEETS

	APRIL 30	
(in thousands, except share and per share data)	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	$176,978	$174,463
Investments - certificates of deposit	51,750	25,750
Customer receivables, net	63,115	55,813
Inventories	42,859	39,319
Prepaid expenses and other	4,526	6,864
Total Current Assets	339,228	302,209
Property, plant and equipment, net	107,933	99,332
Investments - certificates of deposit	20,500	18,250
Promotional displays, net	5,745	5,377
Deferred income taxes	18,047	32,574
Other assets	9,820	8,618
TOTAL ASSETS	$501,273	$466,360
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$41,312	$35,011
Current maturities of long-term debt	1,598	1,574
Accrued compensation and related expenses	36,162	35,389
Accrued marketing expenses	8,655	8,075
Other accrued expenses	13,770	12,264
Total Current Liabilities	101,497	92,313
Long-term debt, less current maturities	15,279	22,145
Defined benefit pension liabilities	28,032	67,131
Other long-term liabilities	4,016	4,010
Shareholders' Equity		
Preferred stock, $1.00 par value; 2,000,000 shares authorized, none issued	—	—
Common stock, no par value; 40,000,000 shares authorized; issued and outstanding shares: at April 30, 2017: 16,232,775, at April 30, 2016: 16,244,041	168,835	163,290
Retained earnings	224,031	164,756
Accumulated other comprehensive loss -		
Defined benefit pension plans	(40,417)	(47,285)
Total Shareholders' Equity	352,449	280,761
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$501,273	$466,360

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

	FISCAL YEARS ENDED APRIL 30		
(in thousands, except per share data)	2017	2016	2015
Net sales	$1,030,248	$947,045	$825,465
Cost of sales and distribution	805,612	747,351	672,933
Gross Profit	224,636	199,694	152,532
Selling and marketing expenses	70,979	66,489	64,304
General and administrative expenses	45,419	40,045	33,773
Restructuring charges, net	—	—	(240)
Operating Income	108,238	93,160	54,695
Interest expense	885	378	515
Other (income) expense	(1,572)	996	(207)
Income Before Income Taxes	108,925	91,786	54,387
Income tax expense	37,726	33,063	18,888
Net Income	$71,199	$58,723	$35,499
SHARE INFORMATION			
Earnings per share			
Basic	$4.38	$3.61	$2.25
Diluted	4.34	3.57	2.21

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	FISCAL YEARS ENDED APRIL 30		
(in thousands)	2017	2016	2015
Net income	$71,199	$58,723	$35,499
Other comprehensive income (loss) net of tax:			
Change in pension benefits, net of deferred taxes of $(4,391), $4,110, and $9,510, respectively	6,868	(6,428)	(14,877)
Total Comprehensive Income	$78,067	$52,295	$20,622

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except share data)	COMMON STOCK SHARES	COMMON STOCK AMOUNT	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL SHAREHOLDERS' EQUITY
Balance, May 1, 2014	15,476,298	$127,371	$89,154	$ (25,980)	$ 190,545
Net income			35,499		35,499
Other comprehensive loss, net of tax				(14,877)	(14,877)
Stock-based compensation		3,497			3,497
Adjustments to excess tax benefit from stock-based compensation		1,172			1,172
Exercise of stock-based compensation awards, net of amounts withheld for taxes	599,124	12,842			12,842
Stock repurchases	(163,326)	(1,098)	(3,955)		(5,053)
Employee benefit plan contributions	167,575	6,217			6,217
Balance, April 30, 2015	16,079,671	$150,001	$120,698	$ (40,857)	$ 229,842
Net income			58,723		58,723
Other comprehensive loss, net of tax				(6,428)	(6,428)
Stock-based compensation		3,609			3,609
Adjustments to excess tax benefit from stock-based compensation		4,559			4,559
Exercise of stock-based compensation awards, net of amounts withheld for taxes	375,928	5,288			5,288
Stock repurchases	(243,143)	(1,928)	(14,665)		(16,593)
Employee benefit plan contributions	31,585	1,761			1,761
Balance, April 30, 2016	16,244,041	$163,290	$164,756	$ (47,285)	$ 280,761
Net income			71,199		71,199
Other comprehensive income, net of tax				6,868	6,868
Stock-based compensation		3,469			3,469
Exercise of stock-based compensation awards, net of amounts withheld for taxes	122,772	633			633
Stock repurchases	(178,118)	(1,483)	(11,924)		(13,407)
Employee benefit plan contributions	44,080	2,926			2,926
Balance, April 30, 2017	16,232,775	$168,835	$224,031	$ (40,417)	$ 352,449

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	FISCAL YEARS ENDED APRIL 30 2017	2016	2015
OPERATING ACTIVITIES			
Net income	$71,199	$58,723	$35,499
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:			
Depreciation and amortization	18,682	16,456	14,526
Net loss on disposal of property, plant and equipment	444	1,576	153
Gain on sales of assets held for sale	—	—	(250)
Stock-based compensation expense	3,469	3,609	3,497
Deferred income taxes	9,899	11,629	4,335
Pension contributions in excess of expense	(27,840)	(4,732)	(4,604)
Excess tax benefit from stock-based compensation	—	(4,968)	(1,887)
Contributions of employer stock to employee benefit plan	2,926	1,761	6,217
Other non-cash items	318	(663)	216
Changes in operating assets and liabilities:			
Customer receivables	(7,780)	(9,938)	288
Inventories	(4,925)	(4,276)	(5,605)
Prepaid expenses and other assets	(207)	(4,585)	126
Accounts payable	6,301	723	5,113
Accrued compensation and related expenses	773	5,269	1,963
Income taxes payable	—	(1,791)	1,201
Marketing and other accrued expenses	3,821	5,811	(624)
Net Cash Provided by Operating Activities	77,080	74,604	60,164
INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment	(21,811)	(28,685)	(20,015)
Proceeds from sales of property, plant and equipment	37	846	22
Proceeds from sales of assets held for sale	—	—	1,250
Purchases of certificates of deposit	(85,000)	(46,750)	(40,750)
Maturities of certificates of deposit	56,750	38,250	5,250
Investment in promotional displays	(3,720)	(4,434)	(2,363)
Net Cash Used by Investing Activities	(53,744)	(40,773)	(56,606)
FINANCING ACTIVITIES			
Payments of long-term debt	(11,731)	(1,547)	(1,309)
Proceeds from long-term debt	3,477	3,196	1,500
Excess tax benefit from stock-based compensation	—	4,968	1,887
Proceeds from issuance of common stock and other	2,366	8,114	14,268
Repurchase of common stock	(13,407)	(16,593)	(5,053)
Withholding of employee taxes related to stock-based compensation	(1,734)	(2,826)	(1,427)
Notes receivable, net	208	(4,221)	417
Net Cash Provided (Used) by Financing Activities	(20,821)	(8,909)	10,283
Net Increase in Cash and Cash Equivalents	2,515	24,922	13,841

Cash and Cash Equivalents, Beginning of Year	174,463	149,541	135,700
Cash and Cash Equivalents, End of Year	$176,978	$174,463	$149,541

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A -- Summary of Significant Accounting Policies

The Company manufactures and distributes kitchen cabinets and vanities for the remodeling and new home construction markets. The Company's products are sold across the United States through a network of independent dealers and distributors and directly to home centers and major builders.

The following is a description of the Company’s significant accounting policies:

Principles of Consolidation and Basis of Presentation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Significant inter-company accounts and transactions have been eliminated in consolidation.

Revenue Recognition: The Company recognizes revenue when product is delivered to the customer and title has passed. Revenue is based on invoice price less allowances for sales returns, cash discounts and other deductions.

Cost of Sales and Distribution: Cost of sales and distribution includes all costs associated with the manufacture and distribution of the Company’s products including the costs of shipping and handling.

Advertising Costs: Advertising costs are expensed as incurred. Advertising expenses for fiscal years 2017, 2016 and 2015 were $41.0 million, $38.1 million and $34.3 million, respectively.

Cash and Cash Equivalents: Cash in excess of operating requirements is invested in money market accounts which are carried at cost (which approximates fair value). The Company considers all highly liquid short-term investments with an original maturity of three months or less when purchased to be cash equivalents. Cash equivalents were $50.1 million and $34.0 million at April 30, 2017 and 2016, respectively.

Investments in Certificates of Deposit: The Company invests excess cash in certificates of deposit which are carried at cost (which approximates fair value). Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as current assets. Certificates of deposit with remaining maturities greater than one year are classified as long-term assets.

Inventories: Inventories are stated at lower of cost or market. Inventory costs are determined by the last-in, first-out (LIFO) method.

The LIFO cost reserve is determined in the aggregate for inventory and is applied as a reduction to inventories determined on the first-in, first-out method (FIFO). FIFO inventory cost approximates replacement cost.

Property, Plant and Equipment: Property, plant and equipment is stated on the basis of cost less accumulated depreciation. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets, which range from 15 to 30 years for buildings and improvements and 3 to 10 years for machinery and equipment. Assets under capital leases are amortized over the shorter of their estimated useful lives or the term of the related lease.

Impairment of Long-Lived Assets: The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During fiscal years 2017, 2016 and 2015, the Company concluded no impairment existed, except for impairments related to restructuring activities.

Promotional Displays: The Company invests in promotional displays in retail stores to demonstrate product features, product and quality specifications and to serve as a training tool for retail kitchen designers. The Company invests in these long-lived productive assets to provide the aforementioned benefits. The Company's investment in promotional displays is carried at cost less applicable amortization. Amortization is provided by the straight-line method on an individual display basis over periods of 30 to 36 months (the estimated period of benefit). Promotional display amortization expense for fiscal years 2017, 2016 and 2015 was $3.4 million, $3.4 million and $3.6 million, respectively, and is included in selling and marketing expenses.

Income Taxes: The Company accounts for deferred income taxes utilizing the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the tax effects of temporary differences between the financial statement amounts and the tax basis of assets and liabilities, using enacted tax rates in effect for the year in which these items are expected to reverse. At each reporting date, the Company evaluates the need for a valuation allowance to adjust deferred tax assets and liabilities to an amount that more likely than not will be realized.

Pensions: The Company has two non-contributory defined benefit pension plans covering many of the Company's employees hired before April 30, 2012. Both defined benefit pension plans were frozen effective April 30, 2012. The Company recognizes the overfunded or underfunded status of its defined benefit pension plans, measured as the difference between the fair value of plan assets and the benefit obligation, in its consolidated balance sheets. The Company also recognizes the actuarial gains and losses and the prior service costs, credits and transition costs as a component of other comprehensive income (loss), net of tax.

Stock-Based Compensation: The Company recognizes stock-based compensation expense based on the grant date fair value over the requisite service period.

Self Insurance: The Company is self-insured for certain costs related to employee medical coverage, workers' compensation liability, general liability, auto liability and property insurance. The Company maintains stop-loss coverage with third-party insurers to limit total exposure. The Company establishes a liability at each balance sheet date based on estimates for a variety of factors that influence the Company's ultimate cost. In the event that actual experience is substantially different from the estimates, the financial results for the period could be adversely affected. The Company believes that the methodologies used to estimate insurance liabilities are an accurate reflection of the liabilities as of the date of the balance sheet.

Recent Accounting Pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers: Topic 606." ASU 2014-09 supersedes the revenue recognition requirements in "Accounting Standard Codification 605 - Revenue Recognition" and most industry-specific guidance. The standard requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date." ASU 2015-14 defers the effective date of ASU 2014-09 by one year to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that period. The Company does not expect the adoption of ASU 2014-09 and ASU 2015-14 to have a material impact on results of operations, cash flows and financial position. The Company is continuing to evaluate the impact of ASU 2014-09 primarily to determine the transition method to utilize at adoption and the additional disclosures required.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." ASU 2016-02 requires lessees to recognize most leases on-balance sheet, which will increase reported assets and liabilities. Lessor accounting remains substantially similar to current U.S. GAAP. ASU 2016-02 supersedes "Topic 840 - Leases." ASU 2016-02 is effective for public companies for annual and interim periods in fiscal years beginning after December 15, 2018. ASU 2016-02 mandates a modified retrospective transition method for all entities. The Company is currently assessing the impact that ASU 2016-02 will have on its consolidated financial statements, however, if at adoption the Company has similar obligations for leases as it had at April 30, 2017, the Company believes this guidance will not have a material impact on its results of operations, cash flows and financial position.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Shares-Based Payment Accounting." ASU 2016-09 is intended to improve the accounting for share-based payment transactions as part of the FASB's simplification initiative. ASU 2016-09 changes several aspects of the accounting for share-based payment award transactions, including: (1) accounting for income taxes; (2) classification of excess tax benefits on the statement of cash flows; (3) forfeitures; (4) minimum statutory tax withholding requirements; and (5) classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, and interim periods within those years for public companies. The Company early adopted this standard as of May 1, 2016. As a result, during fiscal 2017, it recognized the excess tax benefit of $1.3 million as income tax benefit on the condensed consolidated statements of income (adopted prospectively). The adoption did not impact the existing classification of the awards. Excess tax benefits from stock based compensation is now classified in net income in the statement of cash flows instead of being separately stated in financing activities for the twelve months ended April 30, 2017 (adopted prospectively). Additionally, the Company reclassified $2.8 million and $1.4 million of employee withholding taxes paid from operating activities into financing activities in the statement of cash flows for the twelve month periods ended April 30, 2016 and 2015, respectively, as required by ASU 2016-09 (adopted retrospectively). Following the adoption of the new standard, the Company elected to continue estimating the number of awards expected to be forfeited and adjust its estimate on an ongoing basis.

In April 2015, the FASB issued ASU 2015-03, “Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs.” The Company retrospectively adopted this standard on April 30, 2016, which resulted in the reclassification of approximately $0.3 million of debt issuance costs from other assets to long-term debt as of April 30, 2016. Adoption of the new guidance did not impact the Company's shareholder's equity, results of operations or statements of cash flows.

In May 2015, the FASB issued ASU No. 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent), which amends the disclosure requirements of Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, for reporting entities that measure the fair value of an investment using the net asset value per share (or its equivalent) as a practical expedient. The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and also remove the requirements to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The Company retrospectively adopted this standard on April 30, 2017, which impacted the disclosure of investments, see Note H for additional information.

In March 2017, the FASB issued ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." ASU 2017-07 requires an employer to disaggregate the service cost component from the other components of net benefit (income) cost. The other components of net benefit (income) cost are required to be presented in the income statement separately from the service cost component and outside of operating income. The amendments also allow only the service cost component of net benefit (income) cost to be eligible for capitalization. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017. The amendments in this ASU should be applied (1) retrospectively for the presentation of the service cost component and the other components of net periodic pension (income) cost and net periodic postretirement benefit (income) cost on the income statement, and (2) prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension (income) cost and net periodic postretirement benefit (income) cost in assets. The Company is evaluating the effect this guidance will have on its results of operations, cash flows and financial position.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during each reporting period. Actual results could differ from those estimates.

Reclassifications: Certain reclassifications have been made to prior period balances to conform to the current year presentation.

Note B -- Customer Receivables

The components of customer receivables were:

	APRIL 30	
(in thousands)	2017	2016
Gross customer receivables	$66,373	$58,593
Less:		
Allowance for doubtful accounts	(148)	(171)
Allowance for returns and discounts	(3,110)	(2,609)
Net customer receivables	$63,115	$55,813

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Note C -- Inventories

The components of inventories were:

(in thousands)	APRIL 30 2017	2016
Raw materials	$18,230	$17,634
Work-in-process	18,704	18,414
Finished goods	19,372	17,475
Total FIFO inventories	56,306	53,523
Reserve to adjust inventories to LIFO value	(13,447)	(14,204)
Total LIFO inventories	$42,859	$39,319

Note D -- Property, Plant and Equipment

The components of property, plant and equipment were:

(in thousands)	APRIL 30 2017	2016
Land	$3,581	$2,311
Buildings and improvements	81,172	80,042
Buildings and improvements - capital leases	11,202	11,202
Machinery and equipment	187,836	182,937
Machinery and equipment - capital leases	29,378	29,357
Construction in progress	10,838	2,556
	324,007	308,405
Less accumulated amortization and depreciation	(216,074)	(209,073)
Total	$107,933	$99,332

Amortization and depreciation expense on property, plant and equipment amounted to $14.2 million, $11.6 million and $9.5 million in fiscal years 2017, 2016 and 2015, respectively. Accumulated amortization on capital leases included in the above table amounted to $29.7 million and $29.6 million as of April 30, 2017 and 2016, respectively.

Note E -- Loans Payable and Long-Term Debt

Maturities of long-term debt are as follows:

	FISCAL YEARS ENDING APRIL 30						
(in thousands)	2018	2019	2020	2021	2022	2023 AND THERE-AFTER	TOTAL OUTSTANDING
Economic development loans	$—	$2,189	$—	$—	$—	$2,250	$ 4,439
Capital lease obligations	1,598	1,268	1,081	810	635	1,456	6,848
Other long-term debt	—	—	—	—	—	5,925	5,925
Debt issuance costs	(18)	(17)	(17)	(17)	(17)	(249)	(335)
Total	$1,580	$3,440	$1,064	$793	$618	$9,382	$ 16,877
Current maturities							$ (1,598)
Total long-term debt							$ 15,279

The Company's primary loan agreement is a $35 million unsecured revolving credit facility which expires on December 31, 2018 with Wells Fargo Bank, N.A. ("Wells Fargo"). At April 30, 2017 and 2016, $0 and $10 million, respectively, of loans were outstanding under this facility. The Company incurs a fee for amounts not used under the revolving credit facility. Fees paid by the Company related to non-usage of its current and former credit facilities have been included in interest expense and were insignificant in each of fiscal years 2017, 2016 and 2015.

The Company can borrow under the revolving credit facility up to the lesser of $35 million or the maximum borrowing base (which equals 75% of eligible accounts receivable, 50% of eligible pre bill reserves and up to $20 million for equipment value, each as defined in the agreement) less any outstanding loan balance. Any outstanding loan balance bears interest at the London Interbank Offered Rate ("LIBOR") (0.995% at April 30, 2017) plus 1.5%. Under the terms of the revolving credit facility, the Company must: (1) maintain at the end of each fiscal quarter a ratio of total liabilities to tangible net worth of not greater than 1.4 to 1.0; (2) maintain at the end of each fiscal quarter a ratio of cash flow to fixed charges of not less than 1.5 to 1.0 measured on a rolling four-quarter basis; and (3) comply with other customary affirmative and negative covenants.

The Company was in compliance with all covenants specified in the amended revolving credit facility as of April 30, 2017, including as follows: (1) the Company's ratio of total liabilities to tangible net worth at April 30, 2017 was 0.42 to 1.0; and (2) cash flow to fixed charges for its most recent four quarters was 4.94 to 1.0.

The revolving credit facility does not limit the Company's ability to pay dividends or repurchase its common stock as long as the Company is in compliance with these covenants.

In 2009, the Company entered into a loan agreement with the Board of County Commissioners of Garrett County as part of the Company's capital investment in land located in Garrett County, Maryland. This loan agreement was secured by a Deed of Trust on the property and bears interest at a fixed rate of 3%. The agreement deferred principal and interest during the term of the obligation and forgives any outstanding balance at December 31, 2019, if the Company complied with certain employment levels. The value of the land and associated site improvements totaled $3.5 million. During the fourth quarter of fiscal 2016, the Company conveyed the property for full settlement of the loan and accrued interest totaling $1.6 million. The Company recorded a loss on the transaction of $1.9 million. The loss was included in other (income) expense on the Company’s statements of income.

In 2005, the Company entered into two separate loan agreements with the Maryland Economic Development Corporation and the County Commissioners of Allegany County as part of the Company’s capital investment and operations at the Allegany County, Maryland site. These loan agreements were amended in 2013 and 2008. The aggregate balance of these loan agreements was $2.2 million as of April 30, 2017 and 2016. The loan agreements expire at December 31, 2018 and bear interest at a fixed rate of 3% per annum. These loan agreements are secured by mortgages on the manufacturing facility constructed in Allegany County, Maryland. These loan agreements defer principal and interest during the term of the obligation and forgive any outstanding balance at December 31, 2018, if the Company complies with certain employment levels at the facility.

From 2013 through 2017, the Company entered into a total of 22 capitalized lease agreements in the aggregate amount of $3.5 million with First American Financial Bancorp related to financing computer equipment. Each lease has a term of 48 months and an interest rate between 3.5% and 6.5%. The leases require quarterly rental payments. The aggregate outstanding amount under all of these leases as of April 30, 2017 and 2016 was $1.4 million and $1.1 million, respectively.

From 2013 through 2017, the Company entered into a total of 21 capitalized lease agreements in the aggregate amount of $2.3 million with e-Plus Group related to financing computer equipment. Each lease has a term of 51 months and an interest rate between 3.5% and 6.5%. The leases require monthly rental payments. The aggregate outstanding amount under all of these leases as of April 30, 2017 and 2016 was $1.0 million.

In 2004, the Company entered into a lease agreement with the West Virginia Economic Development Authority as part of the Company’s capital investment and operations at the South Branch plant located in Hardy County, West Virginia. This capital lease agreement is a $10 million term obligation, which expires June 30, 2024, bearing interest at a fixed rate of 2% per annum. The lease requires monthly rental payments. The outstanding amounts owed as of April 30, 2017 and 2016 were $4.4 million and $5.0 million, respectively.

In 2015, the Company entered into a $1.5 million loan agreement with the West Virginia Economic Development Authority as part of the Company's capital investment and operations at the South Branch plant located in Hardy County, West Virginia. The loan agreement expires on February 1, 2025 and bears interest at a fixed rate of 3% per annum. The loan agreement is secured by certain equipment. It defers principal and interest during the term of the obligation and forgives any outstanding balance at December 31, 2018, if the Company complies with certain employment levels at the facility.

In 2016, the Company entered into a $0.8 million loan agreement with the West Virginia Economic Development authority as part of the Company's capital investment and operations at the South Branch plant located in Hardy County, West Virginia. The loan agreement expires on June 1, 2026 and bears interest at a fixed rate of 3% per annum. The loan agreement is secured by certain equipment. It defers principal and interest during the term of the obligation and forgives any outstanding balance at December 31, 2018, if the Company complies with certain employment levels at the facility.

On January 25, 2016 the Company entered into a New Markets Tax Credit ("NMTC") financing agreement, pursuant to section 45D of the Internal Revenue Code of 1986, as amended, and Kentucky Revised Statutes Sections 141.432 through 141.434, to take advantage of a tax credit related to working capital and capital improvements at its Monticello, Kentucky facility. This financing agreement was structured with unrelated third party financial institutions (the "Investors"), their wholly-owned investment funds ("Investment Funds") and their wholly-owned community development entities ("CDEs") in connection with our participation in qualified transactions under the NMTC program. In exchange for substantially all of the benefits derived from the tax credits, the Investors made a contribution of $2.3 million, net of syndication fees, to the project. Upon closing the transaction, a wholly owned subsidiary of the Company provided a $4.3 million loan receivable to the Investment Funds, which is included in other long term assets in the accompanying consolidated balance sheets. The Company also entered into loan agreements aggregating $6.6 million payable to the CDEs sponsoring the project. The loans have a term of thirty years with an aggregate interest rate of approximately 1.2%. As of April 30, 2017 and 2016, the Company had drawn $5.9 million and $3.2 million, respectively, of the loan proceeds, which is included in long-term debt in the accompanying consolidated balance sheets. The NMTC is subject to recapture for a period of seven years, the compliance period. During the compliance period, the Company is required to comply with various regulations and contractual provisions that apply to the NMTC arrangement. We do not anticipate any credit recaptures will be required in connection with this arrangement. This transaction also includes a put/call feature which becomes enforceable at the end of the compliance period whereby we may be obligated or entitled to repurchase the Investors' interest in the Investment Funds. The value attributable to the put/call is nominal. Direct costs of $0.3 million incurred in structuring the financing arrangement are deferred and will be recognized as expense over the term of the loans (30 years).

Certain of the Company's loan agreements limit the amount and type of indebtedness the Company can incur and require the Company to maintain specified financial ratios measured on a quarterly basis. In addition to the assets previously discussed, certain of the Company's property, plant and equipment are pledged as collateral under certain loan agreements and the capital lease arrangements. The Company was in compliance with all covenants contained in its loan agreements and capital leases at April 30, 2017.

Interest paid under the Company's loan agreements and capital leases during fiscal years 2017, 2016 and 2015 was $0.6 million, $0.5 million and $0.5 million, respectively.

Note F -- Earnings Per Share

The following table summarizes the computations of basic and diluted earnings per share:

	FISCAL YEARS ENDED APRIL 30		
(in thousands, except per share amounts)	2017	2016	2015
Numerator used in basic and diluted earnings per common share:			
Net income	$71,199	$58,723	$35,499
Denominator:			
Denominator for basic earnings per common share - weighted-average shares	16,259	16,256	15,764
Effect of dilutive securities:			
Stock options and restricted stock units	139	186	273
Denominator for diluted earnings per common share - weighted-average shares and assumed conversions	16,398	16,442	16,037
Net earnings per share			
Basic	$4.38	$3.61	$2.25
Diluted	$4.34	$3.57	$2.21

There were no potentially dilutive securities for the fiscal year ended April 30, 2017 and 2016, which were excluded from the calculation of net earnings per share. Potentially dilutive shares of 0.1 million issuable under the Company's stock incentive plans have been excluded from the calculation of net earnings per share for the fiscal year ended April 30, 2015, as the effect would be anti-dilutive.

Note G – Stock-Based Compensation

The Company has two types of stock-based compensation awards in effect for its employees and directors. The Company has issued stock options since 1986 and restricted stock units ("RSUs") since fiscal 2010. Total compensation expense related to stock-based awards for the fiscal years ended April 30, 2017, 2016 and 2015 was $3.5 million, $3.6 million and $3.5 million, respectively. The Company recognizes stock-based compensation costs net of an estimated forfeiture rate for those shares expected to vest on a straight-line basis over the requisite service period of the award. The Company estimates the forfeiture rates based upon its historical experience.

Stock Incentive Plans

At April 30, 2017, the Company had stock option and RSU awards outstanding under four different plans: (1) second amended and restated 2004 stock incentive plan for employees; (2) 2006 non-employee directors equity ownership plan; (3) 2011 non-employee directors equity ownership plan; and (4) 2015 non-employee directors equity ownership plan. As of April 30, 2017, there were 881,010 shares of common stock available for future stock-based compensation awards under the Company's stock incentive plans.

Methodology Assumptions

For purposes of valuing stock option grants, the Company has identified one employee group and one non-employee director group, based upon observed option exercise patterns. The Company uses the Black-Scholes option-pricing model to value the Company's stock options for each of the groups. Using this option-pricing model, the fair value of each stock option award is estimated on the date of grant. The fair value of the Company's stock option awards is expensed on a straight-line basis over the vesting period of the stock options. The expected volatility assumption is based on the historical volatility of the Company's stock over a term equal to the expected term of the option granted. The expected term of stock option awards granted is derived from the Company’s historical exercise experience and represents the period of time that stock option awards granted are expected to be outstanding for each of the identified groups. The expected term assumption incorporates the contractual term of an option grant, which is generally ten years for employees and from four to ten years for non-employee directors, as well as the vesting period of an award, which is typically three years. The risk-free interest rate is based on the implied yield on a U.S. Treasury constant maturity with a remaining term equal to the expected term of the option granted.

For purposes of determining the fair value of RSUs, the Company uses the closing stock price of its common stock as reported on the NASDAQ Global Select Market on the date of grant. The fair value of the Company’s RSU awards is expensed on a straight-line basis over the vesting period of the RSUs to the extent the Company believes it is probable the related performance criteria, if any, will be met. The risk-free interest rate is based on the implied yield on a U.S. Treasury constant maturity with a remaining term equal to the vesting period of the RSU grant.

The weighted-average assumptions and valuation of the Company’s stock options were as follows for fiscal years ended April 30, 2016 and 2015. The Company did not grant stock options during the fiscal year ended April 30, 2017.

	FISCAL YEARS ENDED APRIL 30	
	2016	2015
Weighted-average fair value of grants	$18.59	$9.25
Expected volatility	29.8 %	27.4 %
Expected term in years	5.8	5.9
Risk-free interest rate	2.16 %	2.19 %
Expected dividend yield	0.0 %	0.0 %

Stock Option Activity

Stock options granted and outstanding under each of the Company’s plans vest evenly over a three-year period and have contractual terms of ten years. The exercise price of all stock options granted is equal to the fair market value of the Company’s common stock on the option grant date.

The following table presents a summary of the Company’s stock option activity for the fiscal years ended April 30, 2017, 2016 and 2015 (remaining contractual term in years and exercise prices are weighted-averages):

	NUMBER OF OPTIONS	WEIGHTED AVERAGE REMAINING CONTRACTUAL TERM	WEIGHTED AVERAGE EXERCISE PRICE	AGGREGATE INTRINSIC VALUE (in thousands)
Outstanding at April 30, 2014	851,314	4.3	$28.16	$ 3,121
Granted	66,600	9.1	29.92	—
Exercised	(508,639)	—	28.05	7,209
Cancelled or expired	(11,200)	—	32.64	—
Outstanding at April 30, 2015	398,075	5.0	$28.46	$ 8,851
Granted	30,700	9.1	57.11	—
Exercised	(287,975)	—	27.99	11,089
Cancelled or expired	(14,167)	—	40.43	—
Outstanding at April 30, 2016	126,633	5.8	$35.15	$ 4,773
Granted	—	—	—	—
Exercised	(71,715)	—	33.00	2,597
Cancelled or expired	—	—	—	—
Outstanding at April 30, 2017	54,918	5.6	$37.95	$ 2,963
Vested and expected to vest in the future at April 30, 2017	52,283	5.5	$37.76	$ 2,830
Exercisable at April 30, 2017	17,949	1.4	$28.13	$ 1,145

The aggregate intrinsic value in the previous table of the outstanding options on April 30, 2017 represents the total pre-tax intrinsic value (the excess, if any, of the Company's closing stock price on the last trading day of fiscal 2017 over the exercise price, multiplied by the number of in-the-money options) of the shares of the Company's common stock that would have been received by the option holders had all option holders exercised their options on April 30, 2017. This amount changes based upon the fair market value of the Company's common stock. The total fair value of options vested for the fiscal years ended April 30, 2017, 2016 and 2015 was $0.6 million, $0.7 million and $0.7 million, respectively.

As of April 30, 2017, there was $0.2 million of total unrecognized compensation expense related to unvested stock options granted under the Company's stock-based compensation plans. This expense is expected to be recognized over a weighted-average period of 1.0 year.

Cash received from option exercises for the fiscal years ended April 30, 2017, 2016 and 2015, was an aggregate of $2.4 million, $8.1 million and $14.3 million, respectively. The actual tax benefit realized for the tax deduction from option exercises of stock option awards totaled $1.0 million, $4.3 million and $2.8 million for the fiscal years ended April 30, 2017, 2016 and 2015, respectively.

The following table summarizes information about stock options outstanding at April 30, 2017 (remaining lives in years and exercise prices are weighted-averages):

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
OPTION PRICE PER SHARE	OPTIONS	REMAINING LIFE	EXERCISE PRICE	OPTIONS	EXERCISE PRICE

$22.77-$23.96	11,750	1.2	$23.45	11,750	$23.45
$29.92-$34.11	24,533	5.7	30.34	4,966	32.02
$57.11	18,635	8.1	57.11	1,233	57.11
	54,918			17,949	

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Restricted Stock Unit Activity:

The Company's RSUs granted to employees cliff-vest over a three-year period from date of grant, while RSUs granted to non-employee directors vest daily over a two-year period from date of grant. Directors were granted service-based RSUs only, while employees were awarded both service-based and performance-based RSUs ("PBRSUs") in fiscal years 2017, 2016 and 2015. The PBRSUs granted in fiscal 2017 are earned based on achievement of a number of goals pertaining to the Company's cultural and financial performance during three one-year performance periods of fiscal years 2017, 2018 and 2019. Employees who satisfy the vesting criteria will receive a proportional amount of PBRSUs based upon the Compensation Committee's assessment of the Company's achievement of the performance criteria.

The following table contains a summary of the Company's RSU activity for the fiscal years ended April 30, 2017, 2016 and 2015:

	PERFORMANCE-BASED RSUs	SERVICE-BASED RSUs	TOTAL RSUs	WEIGHTED AVERAGE GRANT DATE FAIR VALUE
Issued and outstanding, April 30, 2014	235,795	123,375	359,170	$22.79
Granted	79,500	40,100	119,600	$30.82
Cancelled due to non-achievement of performance goals	(16,218)	—	(16,218)	$36.18
Settled in common stock	(79,407)	(54,861)	(134,268)	$17.45
Forfeited	(8,726)	(4,764)	(13,490)	$27.78
Issued and outstanding, April 30, 2015	210,944	103,850	314,794	$27.15
Granted	48,201	22,349	70,550	$57.83
Cancelled due to non-achievement of performance goals	(19,657)	—	(19,657)	$29.92
Settled in common stock	(89,665)	(46,950)	(136,615)	$19.57
Forfeited	(9,056)	(3,537)	(12,593)	$40.99
Issued and outstanding, April 30, 2016	140,767	75,712	216,479	$40.88
Granted	36,058	25,322	61,380	$66.58
Cancelled due to non-achievement of performance goals	(4,270)	—	(4,270)	$64.55
Settled in common stock	(45,509)	(32,300)	(77,809)	$37.09
Forfeited	(1,979)	(1,280)	(3,259)	$49.40
Issued and outstanding, April 30, 2017	125,067	67,454	192,521	$50.09

As of April 30, 2017, there was $3.4 million of total unrecognized compensation expense related to unvested RSUs granted under the Company's stock-based compensation plans. This expense is expected to be recognized over a weighted-average period of 1.6 years.

For the fiscal years ended April 30, 2017, 2016 and 2015 stock-based compensation expense was allocated as follows:

(in thousands)	2017	2016	2015
Cost of sales and distribution	$665	$608	$518
Selling and marketing expenses	1,066	1,079	954
General and administrative expenses	1,738	1,922	2,025
Stock-based compensation expense, before income taxes	$3,469	$3,609	$3,497

Restricted Stock Tracking Units:

During fiscal 2017, the Board of Directors of the Company approved grants of 5,136 cash-settled performance-based restricted stock tracking units ("RSTUs") and 2,804 cash-settled service-based RSTUs for more junior level employees who previously received RSU grants under the Company’s shareholder approved plan. Each performance-based RSTU entitles the recipient to receive a payment in cash equal to the fair market value of a share of the Company’s common stock as of the payment date if applicable performance and cultural conditions are met and the recipient remains continuously employed with the Company until the units vest. The service-based RSTUs entitle the recipients to receive a payment in cash equal to the fair market value of a share of our common stock as of the payment date if they remain continuously employed with the Company until the units vest. The RSTUs cliff-vest three years from the grant date. Since the RSTUs will be settled in cash, the grant date fair value of these awards is recorded as a liability until the date of payment. The fair value of each cash-settled RSTU award is remeasured at the end of each reporting period and the liability is adjusted, and related expense recorded, based on the new fair value. The Company recognized expense of $0.8 million, $0.8 million and $0.4 million related to RSTUs for the fiscal years ended April 30, 2017, 2016 and 2015, respectively. A liability for payment of the RSTUs is included in the Company's balance sheets in the amount of $1.5 million and $1.2 million as of April 30, 2017 and 2016, respectively.

Note H – Employee Benefit and Retirement Plans

Retirement Savings Plan

In fiscal 1990, the Company instituted the American Woodmark Investment Savings Stock Ownership Plan and effective January 1, 2016 the plan name was changed to the American Woodmark Corporation Retirement Savings Plan. Under this plan, all employees who are at least 18 years old and have been employed by the Company for at least six consecutive months are eligible to receive Company stock through a discretionary profit-sharing contribution and a 401(k) matching contribution based upon the employee's contribution to the plan.

Discretionary profit-sharing contributions ranging from 0-5%, based on predetermined net income levels of the Company, may be made annually in the form of Company stock. The Company recognized expenses for profit-sharing contributions of $3.6 million, $2.9 million and $1.8 million in fiscal years 2017, 2016 and 2015, respectively.

In fiscal 2013, as part of the realignment of its retirement plans, the Company increased the match on 401(k) contributions in the form of Company stock to 100% of an employee’s annual contribution to the plan up to 4% of annual compensation. Effective May 1, 2015, matching contributions are made in cash by the Company. The expense for 401(k) matching contributions for this plan was $7.2 million, $6.6 million and $5.6 million, in fiscal years 2017, 2016 and 2015, respectively.

Pension Benefits

The Company has two defined benefit pension plans covering many of the Company’s employees hired prior to April 30, 2012. These plans provide defined benefits based on years of service and final average earnings (for salaried employees) or benefit rate (for hourly employees).

Effective April 30, 2012, the Company froze all future benefit accruals under the Company’s hourly and salaried defined benefit pension plans.

Included in accumulated other comprehensive loss at April 30, 2017 is $66.3 million ($40.4 million net of tax) related to net unrecognized actuarial losses that have not yet been recognized in net periodic pension benefit costs. The

Company expects to recognize $1.6 million ($1.0 million net of tax) in net actuarial losses in net periodic pension benefit costs during fiscal 2018. The Company uses an April 30 measurement date for its benefit plans.

The following provides a reconciliation of benefit obligations, plan assets and funded status of the Company's non-contributory defined benefit pension plans as of April 30:

	APRIL 30	
(in thousands)	2017	2016
CHANGE IN PROJECTED BENEFIT OBLIGATION		
Projected benefit obligation at beginning of year	$174,096	$169,986
Interest cost	5,772	7,014
Actuarial (gains) losses	(4,672)	1,921
Benefits paid	(10,023)	(4,825)
Projected benefit obligation at end of year	$165,173	$174,096
CHANGE IN PLAN ASSETS		
Fair value of plan assets at beginning of year	$106,965	$108,661
Actual return on plan assets	12,895	(1,887)
Company contributions	27,304	5,016
Benefits paid	(10,023)	(4,825)
Fair value of plan assets at end of year	$137,141	$106,965
Funded status of the plans	$(28,032)	$(67,131)
Unrecognized net actuarial loss	66,255	77,514
Prepaid benefit cost	$38,223	$10,383

The accumulated benefit obligation for both pension plans was $165.2 million and $174.1 million at April 30, 2017 and 2016, respectively.

	April 30		
(in thousands)	2017	2016	2015
COMPONENTS OF NET PERIODIC PENSION BENEFIT COST			
Interest cost	$5,772	$7,014	$6,466
Expected return on plan assets	(8,079)	(8,142)	(7,666)
Recognized net actuarial loss	1,771	1,412	865
Pension benefit cost	$(536)	$284	$(335)

The components of net periodic pension benefit cost do not include service costs or prior service costs due to the plans being frozen.

Actuarial Assumptions: The discount rate at April 30 was used to measure the year-end benefit obligations and the earnings effects for the subsequent year. Actuarial assumptions used to determine benefit obligations and earnings effects for the pension plans follow:

	FISCAL YEARS ENDED APRIL 30	
	2017	2016
WEIGHTED-AVERAGE ASSUMPTIONS TO DETERMINE BENEFIT OBLIGATIONS		
Discount rate	4.12 %	4.06 %

	FISCAL YEARS ENDED APRIL 30		
	2017	2016	2015
WEIGHTED-AVERAGE ASSUMPTIONS TO DETERMINE NET PERIODIC PENSION BENEFIT COST			
Discount rate	4.06 %	4.19 %	4.56%
Expected return on plan assets	7.5 %	7.5 %	7.5 %

The Company bases the discount rate on a current yield curve developed from a portfolio of high-quality fixed-income investments with maturities consistent with the projected benefit payout period. The long-term rate of return on assets is determined based on consideration of historical and forward-looking returns and the current and expected asset allocation strategy.

Beginning with the April 30, 2016 measurement, the Company refined the method used to determine the service and interest cost components of its net periodic benefit cost. Previously, the cost was determined using a single weighted-average discount rate derived from the yield curve. Under the refined method, known as the spot rate approach, individual spot rates along the yield curve that correspond with the timing of each benefit payment will be used. The Company believes this change provides a more precise measurement of service and interest costs by improving the correlation between projected cash outflows and corresponding spot rates on the yield curve. Compared to the previous method, the spot rate approach decreased the service and interest components of the benefit costs in fiscal 2017. There was no impact on the total benefit obligation. The Company accounted for this change prospectively as a change in accounting estimate.

In developing the expected long-term rate of return assumption for the assets of the defined benefit pension plans, the Company evaluated input from its third party pension plan asset managers, including their review of asset class return expectations and long-term inflation assumptions.

The Company amortizes experience gains and losses, as well as the effects of changes in actuarial assumptions and plan provisions, over the average remaining lifetime of the active participants.

Contributions: The Company funds the pension plans in amounts sufficient to meet minimum funding requirements under applicable employee benefit and tax laws plus additional amounts the Company deems appropriate.

The Company expects to contribute $5.7 million to its pension plans in fiscal 2018. The Company made contributions of $27.3 million and $5.0 million to its pension plans in fiscal 2017 and 2016, respectively.

Estimated Future Benefit Payments: The following benefit payments, which reflect expected future service, are expected to be paid:

FISCAL YEAR	BENEFIT PAYMENTS (in thousands)
2018	$ 5,998
2019	6,363
2020	6,716
2021	7,111
2022	7,461
Years 2023-2027	42,474

Plan Assets: Pension assets by major category and the type of fair value measurement as of April 30, 2017 and 2016 are presented in the following tables:

FAIR VALUE MEASUREMENTS AT APRIL 30, 2017

(in thousands)	TOTAL	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Cash Equivalents	$295	$ 295	$ —	$ —
Equity Funds:				
Mutual Fund Equity	78,335	78,335	—	—
Fixed Income Funds:				
Mutual Fund Tax Income	45,290	45,290	—	—
Plan assets measured at net asset value[1]	123,920	123,920	—	—
Common Collective Funds:				
Capital Preservation Fund	13,221			
Total plan assets	$137,141			

FAIR VALUE MEASUREMENTS AT APRIL 30, 2016

(in thousands)	TOTAL	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Cash Equivalents	$10	$ 10	$ —	$ —
Equity Funds:				
Mutual Fund Equity	61,338	61,338	—	—
Fixed Income Funds:				
Mutual Fund Tax Income	27,681	27,681	—	—
Plan assets measured at net asset value[1]	89,029	89,029	—	—
Common Collective Funds:				
Capital Preservation Fund	17,936			
Total plan assets	$106,965			

[1]As discussed in Note A, investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have been removed from the total plan assets in the fair value hierarchy.

Investment Strategy: The Company has established formal investment policies for the assets associated with its pension plans. The objectives of the investment strategies include preservation of capital and long-term growth of capital while avoiding excessive risk. Target allocation percentages are established at an asset class level by the Company's Pension Committee. Target allocation ranges are guidelines, not limitations, and the Pension Committee may approve allocations above or below a target range.

During a period of uncertainty in the equity and fixed income markets, the Pension Committee may suspend the Target Asset Allocation and manage the investment mix as it sees reasonable, prudent and in the best interest of the plans to better protect the value of the plan assets.

The Company's pension plans' weighted-average asset allocations at April 30, 2017 and 2016, by asset category, were as follows:

	PLAN ASSET ALLOCATION		
	2017	2017	2016
APRIL 30	TARGET	ACTUAL	ACTUAL
Equity Funds	57.0 %	57.0 %	57.0 %
Fixed Income Funds	43.0 %	43.0 %	43.0 %
Total	100.0 %	100.0 %	100.0 %

Within the broad categories outlined in the preceding table, the Company has the following specific allocations as a percentage of total funds invested: 10% Capital Preservation, 33% Bond and 57% Equity.

Note I -- Income Taxes

Income tax expense was comprised of the following:

	FISCAL YEARS ENDED APRIL 30		
(in thousands)	2017	2016	2015
CURRENT EXPENSE			
Federal	$23,638	$18,239	$12,663
State	4,189	3,195	1,890
Total current expense	27,827	21,434	14,553
DEFERRED EXPENSE			
Federal	8,607	10,179	3,024
State	1,292	1,450	1,311
Total deferred expense	9,899	11,629	4,335
Total expense	37,726	33,063	18,888
Other comprehensive income (loss)	4,391	(4,110)	(9,510)
Total comprehensive income tax expense	$42,117	$28,953	$9,378

The Company's effective income tax rate varied from the federal statutory rate as follows:

	FISCAL YEARS ENDED APRIL 30		
	2017	2016	2015
Federal statutory rate	35.0 %	35.0 %	35.0 %
Effect of:			
Research and experimentation tax credit	(0.2)%	— %	(2.3)%
Stock Compensation	(1.3)	—	—
Meals and entertainment	0.3	0.3	0.5
Domestic production deduction	(2.2)	(2.5)	(2.4)
Other	(0.3)	(0.1)	0.1
Total	(3.7)%	(2.3)%	(4.1)%
Effective federal income tax rate	31.3 %	32.7 %	30.9 %
State income taxes, net of federal tax effect	3.3	3.3	3.8

Effective income tax rate	34.6 %	36.0 %	34.7 %

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Included in the fiscal year 2015 effective income tax rate are research and experimentation tax credits for fiscal years 2011 through 2014. The research and experimentation tax credits for fiscal years 2017 and 2016 are not estimated to be significant.

Due to the adoption of ASU 2016-09 in fiscal year 2017, excess tax benefits of stock compensation were recorded in tax expense while in previous years excess benefits were recorded in additional paid-in-capital and therefore, did not impact the effective tax rate.

Income taxes paid were $27.3 million, $24.5 million and $13.3 million for fiscal years 2017, 2016 and 2015, respectively.

The significant components of deferred tax assets and liabilities were as follows:

	APRIL 30	
(in thousands)	2017	2016
Deferred tax assets:		
Pension benefits	$8,852	$24,930
Accounts receivable	6,938	5,981
Product liability	1,272	1,141
Employee benefits	7,914	7,101
State tax credit carryforwards	4,083	4,867
Other	862	353
Gross deferred tax assets, before valuation allowance	29,921	44,373
Valuation allowance	(2,446)	(3,061)
Gross deferred tax assets, after valuation allowance	27,475	41,312
Deferred tax liabilities:		
Inventory	297	440
Depreciation	9,131	8,298
	9,428	8,738
Net deferred tax asset	$18,047	$32,574

The Company has recorded a valuation allowance related to deferred tax assets for certain state investment tax credit (ITC) carryforwards. Deferred tax assets are reduced by a valuation allowance when, after considering all positive and negative evidence, it is determined that it is more likely than not that some portion, or all, of the deferred tax asset will not be realized. In fiscal 2017, the Company reassessed the valuation allowance related to ITCs and released $0.6 million of the valuation allowance recorded in the prior year.

The gross amount of state tax credit carryforwards related to state ITCs as of April 30, 2017 and 2016 was $6.1 million and $5.8 million, respectively. These credits expire in various years beginning in fiscal 2020. Net of the federal impact and related valuation allowance, the Company recorded $1.6 million and $1.8 million of deferred tax assets related to these credits, as of April 30, 2017 and 2016, respectively. The Company accounts for ITCs under the deferral method, under which the tax benefit from the ITC is deferred and amortized into income tax expense over the book life of the related property. As of April 30, 2017 and 2016, a deferred credit balance of $1.5 million and $1.8 million, respectively, is included in other liabilities on the balance sheet.

Note J -- Accounting for Uncertainty in Income Taxes

The Company accounts for its income tax uncertainties in accordance with ASC Topic 740, "Income Taxes." The Company's liability relating to uncertain tax positions for the years ended April 30, 2017 and 2016 was de minimis.

With minor exceptions, the Company is currently open to audit by tax authorities for tax years ending April 30, 2014 through April 30, 2017. The Company is currently not under federal audit.

Note K -- Commitments and Contingencies

Legal Matters

The Company is involved in suits and claims in the normal course of business, including without limitation product liability and general liability claims, and claims pending before the Equal Employment Opportunity Commission. On at least a quarterly basis, the Company consults with its legal counsel to ascertain the reasonable likelihood that such claims may result in a loss. As required by ASC Topic 450, "Contingencies" (ASC 450), the Company categorizes the various suits and claims into three categories according to their likelihood for resulting in potential loss: those that are probable, those that are reasonably possible and those that are deemed to be remote. Where losses are deemed to be probable and estimable, accruals are made. Where losses are deemed to be reasonably possible, a range of loss estimates is determined and considered for disclosure. In determining these loss range estimates, the Company considers known values of similar claims and consultation with independent counsel.

The Company believes that the aggregate range of loss stemming from the various suits and asserted and unasserted claims which were deemed to be either probable or reasonably possible is not material as of April 30, 2017.

Product Warranty

The Company estimates outstanding warranty costs based on the historical relationship between warranty claims and revenues. The warranty accrual is reviewed monthly to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when actual warranty claim experience differs from estimates. Warranty claims are generally made within two months of the original shipment date.

The following is a reconciliation of the Company's warranty liability:

	APRIL 30	
(in thousands)	2017	2016
PRODUCT WARRANTY RESERVE		
Beginning balance	$2,926	$2,643
Accrual for warranties	18,552	16,279
Settlements	(18,216)	(15,996)
Ending balance at fiscal year end	$3,262	$2,926

Lease Agreements

The Company leases certain office buildings, manufacturing buildings, service centers and equipment. Total rental expenses under operating leases amounted to approximately $10.9 million, $9.8 million and $8.8 million, in fiscal years 2017, 2016 and 2015, respectively. Minimum rental commitments as of April 30, 2017, under noncancelable leases with terms in excess of one year are as follows:

FISCAL YEAR	OPERATING (in thousands)	CAPITAL thousands)	(in
2018	$ 2,884	$ 1,796	
2019	1,258	1,401	
2020	937	1,167	
2021	602	863	
2022	119	672	
2023 (and thereafter)	16	1,490	

	$ 5,816	$ 7,389	
Less amounts representing interest (2% - 6.5%)		(541	)
Total obligations under capital leases		$ 6,848	

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Related Parties

During fiscal 1985, prior to becoming a publicly held corporation, the Company entered into an agreement with a partnership which includes certain former executive officers and current significant shareholders of the Company, to lease the Company’s headquarters building which was constructed and is owned by the partnership. The Company has subsequently renewed this lease in accordance with Company policy and procedures which includes approval by the Board of Directors. In considering the renewal of this lease, the Company assesses the lease terms in relation to market terms for comparable properties. Based upon this review, the Company believes that the rent under the lease is in line with market rates that could be obtained at arm’s length from unaffiliated third parties. As of April 30, 2017, the Company is in the second year of the latest five-year renewal period, which expires in 2021. In April 2017, the Company gave notice that it would be terminating the lease on May 31, 2018. Under this agreement, rental expense was $0.5 million, $0.5 million and $0.5 million, in fiscal years 2017, 2016 and 2015, respectively. Rent due during the remaining term of the lease is approximately $0.5 million (included in the preceding table).

Note L -- Credit Concentration

Credit is extended to customers based on an evaluation of each customer's financial condition and generally collateral is not required. The Company's customers operate in the new home construction and home remodeling markets.

The Company maintains an allowance for bad debt based upon management's evaluation and judgment of potential net loss. The allowance is estimated based upon historical experience, the effects of current developments and economic conditions and of each customer’s current and anticipated financial condition. Estimates and assumptions are periodically reviewed and updated. Any resulting adjustments to the allowance are reflected in current operating results.

At April 30, 2017, the Company's two largest customers, Customers A and B, represented 8.2% and 20.7% of the Company's gross customer receivables, respectively. At April 30, 2016, Customers A and B represented 12.4% and 21.0% of the Company’s gross customer receivables, respectively.

The following table summarizes the percentage of sales to the Company's two largest customers for the last three fiscal years:

	PERCENT OF ANNUAL GROSS SALES		
	2017	2016	2015
Customer A	20.7%	23.9%	26.5%
Customer B	16.5%	17.2%	18.6%

Note M -- Fair Value Measurements

The Company utilizes the hierarchy of fair value measurements to classify certain of its assets and liabilities based upon the following definitions:

Level 1 – Investments with quoted prices in active markets for identical assets or liabilities. The Company’s cash equivalents are invested in money market funds, mutual funds and certificates of deposit. The Company’s mutual fund investment assets represent contributions made and invested on behalf of the Company’s named executive officers in a supplementary employee retirement plan.

Level 2 – Investments with observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company has no Level 2 assets or liabilities.

Level 3 – Investments with unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Company has no Level 3 assets or liabilities.

The fair value measurement of assets held by the Company's defined benefit pension plans is discussed in Note H. The Company's financial instruments include cash and equivalents, marketable securities and other investments; accounts receivable and accounts payable; and short- and long-term debt. The carrying values of cash and equivalents, accounts receivable and payable and short- and long-term debt on the Consolidated Balance Sheets approximate their fair value. The following table summarizes the fair value of assets that are recorded in the Company's consolidated financial statements as of April 30, 2017 and 2016 at fair value on a recurring basis:

(in thousands)	FAIR VALUE MEASUREMENTS AS OF APRIL 30, 2017 LEVEL 1	LEVEL 2	LEVEL 3
ASSETS:			
Money market funds	$ 50,146	$ —	$ —
Mutual funds	1,038	—	—
Certificates of deposit	72,250	—	—
Total assets at fair value	$ 123,434	$ —	$ —

(in thousands)	FAIR VALUE MEASUREMENTS AS OF APRIL 30, 2016 LEVEL 1	LEVEL 2	LEVEL 3
ASSETS:			
Money market funds	$ 30,490	$ —	$ —
Mutual funds	998	—	—
Certificates of deposit	47,500	—	—
Total assets at fair value	$ 78,988	$ —	$ —

Note N -- Quarterly Financial Data (Unaudited)

FISCAL 2017	07/31/16	10/31/2016	01/31/17	04/30/17
(in thousands, except per share amounts)				
Net sales	$258,150	$ 264,076	$249,285	$258,737
Gross profit	59,317	56,152	51,596	57,571
Income before income taxes	31,960	28,430	21,773	26,762
Net income	21,661	17,637	14,553	17,348
Earnings per share				
Basic	$1.33	$ 1.08	$0.90	$1.07
Diluted	$1.32	$ 1.07	$0.89	$1.06

FISCAL 2016	07/31/15	10/31/2015	01/31/16	04/30/16
(in thousands, except per share amounts)				
Net sales	$231,198	$ 256,292	$218,632	$240,923
Gross profit	50,173	56,052	44,598	48,871
Income before income taxes	23,721	28,533	18,683	20,849
Net income	15,158	18,180	12,013	13,372
Earnings per share				
Basic	$0.94	$ 1.12	$0.74	$0.82
Diluted	$0.92	$ 1.10	$0.73	$0.81

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of American Woodmark Corporation:

We have audited the accompanying consolidated balance sheets of American Woodmark Corporation and subsidiary (the Company), as of April 30, 2017 and 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended April 30, 2017. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects the financial position of American Woodmark Corporation and subsidiary as of April 30, 2017 and 2016, and the results of their operations and their cash flows for each of the years in the three year period ended April 30, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of April 30, 2017, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 29, 2017 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

McLean, Virginia
June 29, 2017

Management's Annual Report on Internal Control over Financial Reporting

Management has responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of the Company's internal control over financial reporting as of April 30, 2017. In making its assessment, Management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Management concluded that based on its assessment, American Woodmark Corporation's internal control over financial reporting was effective as of April 30, 2017. The Company's internal control over financial reporting as of April 30, 2017 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which appears in this Annual Report on Form 10-K.

/s/ S. CARY DUNSTON

S. Cary Dunston
President and Chief Executive Officer

/s/ M. SCOTT CULBRETH

M. Scott Culbreth
Senior Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm –
Internal Control over Financial Reporting

The Board of Directors and Shareholders of American Woodmark Corporation:

We have audited American Woodmark Corporation's (the Company) internal control over financial reporting as of April 30, 2017, based on criteria established in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, American Woodmark Corporation maintained, in all material respects, effective internal control over financial reporting as of April 30, 2017, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of American Woodmark Corporation and subsidiary as of April 30, 2017 and 2016, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended April 30, 2017 and our report dated June 29, 2017 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

McLean, Virginia
June 29, 2017

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Senior Management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of April 30, 2017. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures are effective.

Management’s Annual Report on Internal Control over Financial Reporting. Management has conducted an assessment of the Company’s internal control over financial reporting as of April 30, 2017. Management’s report regarding that assessment is included with the Consolidated Financial Statements included in this report under Item 8, “Financial Statements and Supplementary Data,” and is incorporated in this Item by reference.

Report of Registered Public Accounting Firm. The Company’s independent registered public accounting firm, KPMG LLP (KPMG), audited the Consolidated Financial Statements included in this report and has issued an audit report on the effectiveness of the Company’s internal control over financial reporting. KPMG’s report is included with the Consolidated Financial Statements included in this report under Item 8, “Financial Statements and Supplementary Data,” and is incorporated in this Item by reference.

Changes in Internal Control over Financial Reporting. There has been no change in the Company’s internal control over financial reporting during the fiscal quarter ended April 30, 2017, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

In response to this Item, and in accordance with General Instruction G(3) of Form 10-K:

(1)the information concerning the Company’s directors is set forth under the caption “Item 1 - Election of Directors - Information Regarding Nominees” in the Company’s Proxy Statement for its Annual Meeting of Shareholders to be held on August 24, 2017 (“Proxy Statement”) and is incorporated in this Item by reference;

(2)the information concerning the Company’s executive officers is set forth under the caption “Executive Officers of the Registrant” in Part I of this report and is incorporated in this Item by reference;

(3)the information concerning compliance with Section 16(a) of the Exchange Act is set forth under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement and is incorporated in this Item by reference;

(4)the information concerning the Code of Business Conduct and Ethics governing the Company's Chief Executive Officer, Chief Financial Officer, Controller, and Treasurer is set forth under the caption "Corporate Governance – Codes of Business Conduct and Ethics" in the Proxy Statement and is incorporated in this Item by reference;

(5)the information concerning material changes, if any, in the procedures by which security holders may recommend nominees to the Company's Board of Directors is set forth under the caption "Corporate Governance – Procedures for Shareholder Nominations of Directors" in the Proxy Statement and is incorporated in this Item by reference; and

(6)the information concerning the Audit Committee of the Company's Board of Directors, including the members of the Audit Committee and the Board's determination concerning whether certain members of the Audit Committee are "audit committee financial experts" as that term is defined under Item 407(d)(5) of Regulation S-K is set forth under the captions "Corporate Governance – Board of Directors and Committees" and "Audit Committee" in the Proxy Statement and is incorporated in this Item by reference.

Item 11. EXECUTIVE COMPENSATION

In response to this Item, and in accordance with General Instruction G(3) of Form 10-K, the information set forth under the captions “Executive Compensation,” “Report of the Compensation Committee, ” "Compensation Committee Interlocks and Insider Participation," "Company's Compensation Policies and Practices Relating to Risk Management" and "Non-Management Directors' Compensation" in the Proxy Statement is incorporated in this Item by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

In response to this Item, and in accordance with General Instruction G(3) of Form 10-K, the information set forth under the caption “Security Ownership” in the Proxy Statement is incorporated in this Item by reference.

Equity Compensation Plans

The following table summarizes information about the Company’s equity compensation plans as of April 30, 2017:

	Equity Compensation Plan Information		
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders[(1)]	—	—	881,010
Options	54,918	$ 37.95	
Performance-based restricted stock units	125,067	N/A [(2)]	
Service-based restricted stock units	67,454	N/A [(2)]	
Equity compensation plans not approved by security holders[(3)]	—	—	—
Total	247,439	$ 35.15	881,010

(1) At April 30, 2017, the Company had stock option and restricted stock unit awards outstanding under four different plans: Amended and Restated 2004 Stock Incentive Plan for Employees, 2006 Non-Employee Directors Equity Ownership Plan, 2011 Non-Employee Directors Equity Ownership Plan and 2015 Non-Employee Directors Restricted Stock Unit Plan.

(2) Excludes exercise price for restricted stock units issued under the Amended and Restated 2004 Stock Incentive Plan for Employees, 2006 Non-Employee Directors Equity Ownership Plan, 2011 Non-Employee Directors Equity Ownership Plan and 2015 Non-Employee Directors Restricted Stock Unit Plan because they are converted into

common stock on a one-for-one basis at no additional cost.
(3) The Company does not have equity compensation plans that have not been approved by the Company's security holders.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

In response to this Item, and in accordance with General Instruction G(3) of Form 10-K, the information set forth under the captions "Certain Related Party Transaction," and "Corporate Governance – Director Independence" in the Proxy Statement is incorporated in this Item by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

In response to this Item, and in accordance with General Instruction G(3) of Form 10-K, the information concerning fees and services of the Company's principal accounting firm set forth under the captions "Report of the Audit Committee - Independent Auditor Fee Information" and "Report of the Audit Committee - Pre-Approval Policies and Procedures" in the Proxy Statement is incorporated in this Item by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)1. Financial Statements

The following consolidated financial statements of American Woodmark Corporation are incorporated by reference to Item 8 of this report:

Consolidated Balance Sheets as of April 30, 2017 and 2016

Consolidated Statements of Income – for each year of the three-year period ended April 30, 2017.

Consolidated Statements of Comprehensive Income – for each year of the three-year period ended April 30, 2017.

Consolidated Statements of Shareholders' Equity – for each year of the three-year period ended April 30, 2017.

Consolidated Statements of Cash Flows – for each year of the three-year period ended April 30, 2017.

Notes to Consolidated Financial Statements.

Report of Independent Registered Public Accounting Firm.

Management's Annual Report on Internal Control over Financial Reporting.

Report of Independent Registered Public Accounting Firm – Internal Control over Financial Reporting.

(a)2. Financial Statement Schedules

The following financial statement schedule is filed as a part of this Form 10-K:

Schedule II – Valuation of Qualifying Accounts for each year of the three-year period ended April 30, 2017.

Schedules other than the one listed above are omitted either because they are not required or are inapplicable.

(a)3. Exhibits

3.1	Articles of Incorporation as amended effective September 10, 2004 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended July 31, 2004; Commission File No. 000-14798).
3.2	Bylaws, as amended and in effect as of August 25, 2016 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 10-Q for the quarter ended July 31, 2016; Commission File No. 000-14798).
3.3	Bylaws - as amended and restated effective August 24, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K as filed on May 26, 2017; Commission File No. 000-14798).
4.1	The Articles of Incorporation and Bylaws of the Registrant as currently in effect (incorporated by reference to Exhibits 3.1 and 3.2).
	Pursuant to Regulation S-K, Item 601(b)(4)(iii), instruments that define the rights of holders of the Registrant's long-term debt securities, where the long-term debt securities authorized under each such instrument do not exceed 10% of the Registrant's total assets, have been omitted and will be furnished to the Securities and Exchange Commission upon request.
10.1 (a)	Credit Agreement, dated as of December 2, 2009, between the Company and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended October 31, 2009; Commission File No. 000-14798).
10.1 (b)	Revolving Line of Credit Note, dated as of December 2, 2009, made by the Company in favor of Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended October 31, 2009; Commission File No. 000-14798).
10.1 (c)	Amendment to Revolving Line of Credit Note and Credit Agreement, dated as of January 3, 2012, made by the Company in favor of Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Registrant's Form

10-Q for the quarter ended January 31, 2012; Commission File No. 000-14798).

10.1 (d)	Second Amendment to Revolving Line of Credit Note and Credit Agreement, dated as of May 29, 2012, between the Company and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1(e) of the Registrant's Form 10-K for the fiscal year ended April 30, 2012; Commission File No. 000-14798).

10.1 (e)	Third Amendment to Revolving Line of Credit Note and Credit Agreement, dated as of March 18, 2013, between the Company and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Registrant’s Form 8-K as filed on March 19, 2013; Commission File No. 000-14798).
10.1 (f)	Security Agreement (Financial Assets), dated as of April 26, 2012, between the Company and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 of the Registrant’s Form 10-Q for the quarter ended July 31, 2012; Commission File No. 000-14798).
10.1 (g)	Addendum to Security Agreement (Financial Assets), effective as of April 26, 2012, made by the Company in favor of Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1(i) of the Registrant’s Form 10-K for the fiscal year ended April 30, 2012; Commission File No. 000-14798).
10.1 (h)	Security Agreement, dated as of May 29, 2012, made by the Company in favor of Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1(j) of the Registrant’s Form 10-K for the fiscal year ended April 30, 2012; Commission File No. 000-14798).
10.1 (i)	Fifth Amendment to Revolving Line of Credit Note and Fourth Amendment to Credit Agreement, dated as of September 26, 2014, effective as of September 1, 2014, between the Company and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K as filed on September 30, 2014; Commission File No. 000-14798).
10.1 (j)	Loan Agreement, dated as of February 9, 2005, by and between the Company and the Maryland Economic Development Corporation (incorporated by reference to Exhibit 10.1(n) to the Registrant’s Form 10-K for the fiscal year ended April 30, 2005; Commission File No. 000-14798).
10.1 (k)	First Amendment to Loan Agreement, dated as of April 4, 2008, by and between the Company and Maryland Economic Development Corporation (incorporated by reference to Exhibit 10.1(d) to the Registrant’s Form 10-K for the fiscal year ended April 30, 2008; Commission File No. 000-14798).
10.1 (l)	Second Amendment to Loan Agreement, dated as of April 23, 2013, by and between the Company and Maryland Economic Development Corporation (incorporated by reference to Exhibit 10.1(k) to the Registrant’s Form 10-K for the fiscal year ended April 30, 2013; Commission File No. 000-14798).
10.6 (a)(i)	Lease and Agreement, dated as of November 1, 1984, between the Company and Amwood Associates (incorporated by reference to Exhibit 10.6(a) to the Registrant’s Form S-1 for the fiscal year ended April 30, 1986; Commission File No. 33-6245).
10.6 (a)(ii)	Fourth Amendment to Lease and Agreement, dated as of April 1, 2011, between the Company and Amwood Associates (incorporated by reference to Exhibit 10.6 of the Registrant’s Form 10-K for the fiscal year ended April 30, 2012; Commission File No. 000-14798).
10.6 (b)	Lease, dated as of December 15, 2000, between the Company and the Industrial Development Board of The City of Humboldt, Tennessee (incorporated by reference to Exhibit 10.6(d) to the Registrant’s Form 10-K for the fiscal year ended April 30, 2001; Commission File No. 000-14798).
10.7 (a)	Second Amended and Restated 2004 Stock Incentive Plan for Employees (incorporated by reference to Appendix A to the Registrant’s DEF-14A as filed on June 28, 2013; Commission File No. 000-14798).*
10.7 (b)	

	2006 Non-Employee Directors Equity Ownership Plan (incorporated by reference to Appendix A to the Registrant's DEF-14A as filed on July 12, 2006; Commission File No. 000-14798).*
10.7 (c)	Amendment to 2006 Non-Employee Directors Equity Ownership Plan, dated as of August 27, 2009 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the quarter ended July 31, 2009; Commission File No. 000-14798).*
10.7 (d)	2011 Non-Empoyee Directors Equity Ownership Plan (incorporated by reference to Appendix A to the Registrant's DEF-14A as filed on June 30, 2011; Commission File No. 000-14798).*
10.7(e)	2015 Non-Employee Directors Restricted Stock Unit Plan (incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A as filed on June 30, 2015; Commission File No. 000-14798).
10.8 (a)	Form of Grant Letter used in connection with awards of stock options granted under the Company's Second Amended and Restated 2004 Stock Incentive Plan for Employees (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K as filed on June 5, 2013; Commission File No. 000-14798).*
10.8 (b)	Form of Grant Letter used in connection with awards of service-based restricted stock units granted under the Company's Second Amended and Restated 2004 Stock Incentive Plan for Employees (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K as filed on June 5, 2013; Commission File No. 000-14798).*

10.8 (c)	Form of Grant Letter used in connection with awards of performance-based restricted stock units granted under the Company's Second Amended and Restated 2004 Stock Incentive Plan for Employees (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K as filed on June 5, 2013; Commission File No. 000-14798).*
10.8 (d)	Form of Grant Letter used in connection with restricted stock unit awards granted under the Company's Second Amended and Restated 2004 Stock Incentive Plan for Employees (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K as filed on June 10, 2016; Commission File No. 000-14798).*
10.8 (e)	Form of Grant Letter used in connection with awards of service-based restricted stock units granted under the Company's 2011 Non-Employee Directors Equity Ownership Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended October 31, 2011; Commission File No. 000-14798).*
10.8 (f)	Employment Agreement for Mr. M. Scott Culbreth (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K as filed on August 27, 2014; Commission File No. 000-14798).*
10.8 (g)	Employment Agreement for Mr. R. Perry Campbell (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K as filed on August 27, 2014; Commission File No. 000-14798).*
10.8(h)	Employment Agreement for Mr. S. Cary Dunston (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K as filed on August 31, 2015; Commission File No. 000-14798).*
10.8(i)	Letter of Understanding for Mr. Kent Guichard (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K as filed on August 31, 2015; Commission File No. 000-14798).*
10.8(j)	Employment Agreement for Mr. Robert Adams (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K as filed on August 31, 2015; Commission File No. 000-14798).*
10.10 (a)	Promissory Note, dated July 30, 1998, made by the Company in favor of Amende Cabinet Corporation, a wholly owned subsidiary of the Company (incorporated by reference to Exhibit 10.10(f) to the Registrant's Form 10-K for the fiscal year ended April 30, 1999; Commission File No. 000-14798).
10.10 (b)	Loan Agreement, dated as of December 31, 2001, between the Company and Amende Cabinet Corporation, a wholly owned subsidiary of the Company (incorporated by reference to Exhibit 10.10(k) to the Registrant's Form 10-K for the fiscal year ended April 30, 2002; Commission File No. 000-14798).
10.10 (c)	Equipment Lease, dated as of June 30, 2004, between the Company and the West Virginia Economic Development Authority (incorporated by reference to Exhibit 10.1(l) to the Registrant's Form 10-Q for the quarter ended July 31, 2004; Commission File No. 000-14798).
10.10 (d)	West Virginia Facility Lease, dated as of July 30, 2004, between the Company and the West Virginia Economic Development Authority (incorporated by reference to Exhibit 10.1(m) to the Registrant's Form 10-Q for the quarter ended July 31, 2004; Commission File No. 000-14798).
10.11	2016 Employee Stock Incentive Plan (incorporated by reference to Exhibit A to the Registrant's Definitive Proxy Statement on Schedule 14A as filed on June 29, 2016; Commission File No. 000-14798).
21	Subsidiary of the Company (Filed Herewith).

23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm (Filed Herewith).
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act (Filed Herewith).
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act (Filed Herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Furnished Herewith).
101	Interactive Data File for the Registrant's Annual Report on Form 10-K for the year ended April 30, 2017 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss); (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements (Filed Herewith).

*Management contract or compensatory plan or arrangement.

Schedule II - Valuation and Qualifying Accounts

AMERICAN WOODMARK CORPORATION
(In Thousands)

Description (a)	Balance at Beginning of Year	Additions (Reductions) Charged to Cost and Expenses	Other	Deductions	Balance at End of Year
Year ended April 30, 2017:					
Allowance for doubtful accounts	$ 171	$ 200	$ —	$ (223) (b)	$ 148
Reserve for cash discounts	$ 827	$ 10,027 (c)	$ —	$ (9,875) (d)	$ 979
Reserve for sales returns and allowances	$ 1,782	$ 7,962 (c)	$ —	$ (7,613)	$ 2,131
Year ended April 30, 2016:					
Allowance for doubtful accounts	$ 173	$ 108	$ —	$ (110) (b)	$ 171
Reserve for cash discounts	$ 746	$ 9,570 (c)	$ —	$ (9,489) (d)	$ 827
Reserve for sales returns and allowances	$ 1,594	$ 7,833 (c)	$ —	$ (7,645)	$ 1,782
Year ended April 30, 2015:					
Allowance for doubtful accounts	$ 102	$ 184	$ —	$ (113) (b)	$ 173
Reserve for cash discounts	$ 727	$ 8,859 (c)	$ —	$ (8,840) (d)	$ 746
Reserve for sales returns and allowances	$ 1,639	$ 7,326 (c)	$ —	$ (7,371)	$ 1,594

(a) All reserves relate to accounts receivable.
(b) Principally write-offs, net of collections.
(c) Reduction of gross sales.
(d) Cash discounts granted.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Woodmark Corporation
(Registrant)

June 29, 2017 /s/ S. CARY DUNSTON
S. Cary Dunston
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

June 29, 2017	/s/ S. CARY DUNSTON S. Cary Dunston President and Chief Executive Officer (Principal Executive Officer) Director	June 29, 2017	/s/ M. SCOTT CULBRETH M. Scott Culbreth Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
June 29, 2017	/s/ KENT B. GUICHARD Kent B. Guichard Chairman of the Board Director	June 29, 2017	/s/ ANDREW B. COGAN Andrew B. Cogan Director
June 29, 2017	/s/ JAMES G. DAVIS, JR. James G. Davis, Jr. Director	June 29, 2017	/s/ MARTHA M. HAYES Martha M. Hayes Director
June 29, 2017	/s/ DANIEL T. HENDRIX Daniel T. Hendrix Director	June 29, 2017	/s/ CAROL B. MOERDYK Carol B. Moerdyk Director
June 29, 2017	/s/ DAVID W. MOON David W. Moon Director	June 29, 2017	/s/ VANCE W. TANG Vance W. Tang Director

In accordance with Securities and Exchange Commission requirements, the Company will furnish copies of all exhibits to its Form 10-K not contained herein upon receipt of a written request and payment of $0.10 per page to:

Mr. Kevin Dunnigan
Assistant Treasurer
American Woodmark Corporation
P.O. Box 1980
Winchester, Virginia 22604-8090

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