

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan BOWLES FLUIDICS 401(K) PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>001</td> </tr> <tr> <td>1c Effective date of plan</td> <td>11/01/1990</td> </tr> </table>	1b Three-digit plan number (PN) ►	001	1c Effective date of plan	11/01/1990		
1b Three-digit plan number (PN) ►	001						
1c Effective date of plan	11/01/1990						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) BOWLES FLUIDICS CORPORATION 6625 DOBBIN ROAD COLUMBIA, MD 21045	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td>52-0741762</td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td>410-381-0400</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>336300</td> </tr> </table>	2b Employer Identification Number (EIN)	52-0741762	2c Sponsor's telephone number	410-381-0400	2d Business code (see instructions)	336300
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2c Sponsor's telephone number	410-381-0400						
2d Business code (see instructions)	336300						

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/11/2012	CHARLES KNAPP
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BOWLES FLUIDICS CORPORATION 6625 DOBBIN ROAD COLUMBIA, MD 21045	3b Administrator's EIN 52-0741762 3c Administrator's telephone number 410-381-0400
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	150
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	119
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	25
d Subtotal. Add lines 6a , 6b , and 6c	6d	144
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	144
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	127
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	4

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2F 2G 2J 2K 3D 2E 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ 0 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>BOWLES FLUIDICS 401(K) PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BOWLES FLUIDICS CORPORATION</u>	D Employer Identification Number (EIN) <u>52-0741762</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

T. ROWE PRICE TRUST COMPANY

52-1309931

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 25 28 37 38 49 50 52 59 62 63 64 65 57	NONE	4289	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BOWLES FLUIDICS 401(K) PLAN

B Three-digit plan number (PN)	001
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BOWLES FLUIDICS CORPORATION

D Employer Identification Number (EIN)
52-0741762

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **TRP ST VAL COMMON TRUST FUND**

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN 52-1309931-001	d Entity code c	e Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions) 2549770
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan BOWLES FLUIDICS 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BOWLES FLUIDICS CORPORATION	D Employer Identification Number (EIN) 52-0741762	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	260024	286996
(9) Value of interest in common/collective trusts.....	1c(9)	2556516	2549770
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	7880878	7977383
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	10697418	10814149

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10697418	10814149
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	201448	
(B) Participants	2a(1)(B)	571663	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		773111

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	16312	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		16312

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	222387	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		222387

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		78849
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-511391
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		579268

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	458248	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		458248
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	4289	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4289
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		462537

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		116731
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CLIFTON, GUNDERSON, LLP (2) EIN: 37-0802863

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>BOWLES FLUIDICS 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BOWLES FLUIDICS CORPORATION</u>	D Employer Identification Number (EIN) <u>52-0741762</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3583801</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**BOWLES FLUIDICS CORPORATION
401(k) PLAN AND TRUST
Columbia, Maryland**

**FINANCIAL STATEMENTS
December 31, 2011 and 2010**

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Independent Auditor's Report

Administrative Committee of the
Bowles Fluidics Corporation
401(k) Plan and Trust
Columbia, Maryland

We were engaged to audit the accompanying statements of net assets available for benefits of Bowles Fluidics Corporation 401(k) Plan and Trust (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule as listed in the table of contents as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by State Street Bank and Trust Company and T. Rowe Price Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and participant notes receivable and execute related transactions. The plan administrator has obtained a certification from the trustees as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements, but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Baltimore, Maryland
July 2, 2012

FINANCIAL STATEMENTS

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
PARTICIPANT DIRECTED INVESTMENTS, AT FAIR VALUE:		
Mutual funds	\$ 7,977,383	\$ 7,880,878
Common collective trust	<u>2,641,906</u>	<u>2,652,441</u>
Total participant-directed investments	<u>10,619,289</u>	<u>10,533,319</u>
RECEIVABLES:		
Company contributions	5,966	5,403
Participants contributions	15,505	14,174
Notes receivable from participants	<u>286,996</u>	<u>260,024</u>
Total receivables	<u>308,467</u>	<u>279,601</u>
NET ASSETS, AT FAIR VALUE	10,927,756	10,812,920
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(92,136)</u>	<u>(95,925)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 10,835,620</u>	<u>\$ 10,716,995</u>

The accompanying notes are an integral part of the financial statements.

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS		
ATTRIBUTED TO:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of mutual funds	\$ (289,004)	\$ 1,112,471
Net appreciation of common collective trust	<u>78,849</u>	<u>108,347</u>
Total investment income (loss)	<u>(210,155)</u>	<u>1,220,818</u>
Other income:		
Interest income from notes receivable from participants	16,312	16,394
Transfers from other plans	<u>-</u>	<u>501</u>
Total other income	<u>16,312</u>	<u>16,895</u>
Contributions:		
Company	202,011	186,506
Participants	572,994	542,720
Rollover	<u>-</u>	<u>1,749</u>
Total contributions	<u>775,005</u>	<u>730,975</u>
Total additions to net assets, net of investment loss	<u>581,162</u>	<u>1,968,688</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	458,248	1,183,819
Administrative expenses	<u>4,289</u>	<u>5,859</u>
Total deductions from net assets	<u>462,537</u>	<u>1,189,678</u>
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	118,625	779,010
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>10,716,995</u>	<u>9,937,985</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ 10,835,620</u>	<u>\$ 10,716,995</u>

The accompanying notes are an integral part of the financial statements.

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 1 – PLAN DESCRIPTION

The following description of the Bowles Fluidics Corporation (the Company) 401(k) Plan and Trust (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution retirement plan covering all full-time employees of the Company who have completed six months of consecutive service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may elect to defer a percentage of their annual compensation to the Plan each year, not to exceed Internal Revenue Service (IRS) limits. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan offered thirty and twenty-eight investment options for Plan participants at December 31, 2011 and 2010, respectively. Matching and profit-sharing contributions made by the Company are discretionary. During 2011 and 2010, the Company contributed 55% of the first 6% of total compensation for each pay period that a participant contributed to the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings/losses thereon and is charged with withdrawals and an allocation of any administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is limited to the benefit that can be provided from the participant's vested account balance.

Vesting

Participants are immediately vested in their contributions, plus actual net earnings thereon. Vesting in the Company's matching contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested upon obtaining three years of credited service. In the event of death, disability, or retirement, participants obtain an immediate 100% vested interest in Company contributions and related earnings under the terms set forth in the Plan.

Notes Receivable from Participants

Participants may borrow from their individual fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the vested portion of their account balance. Notes receivable transactions are treated as a transfer to (from) the investment fund from (to) the participant's notes receivable fund. Note receivable terms range from 1-5 years and may be up to 25 years for the purchase of a primary residence. The notes receivable are collateralized by the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the plan administrator. Interest rates range from 5.25% to 10.25%. Principal and interest is paid ratably through monthly payroll deductions.

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Payment of Benefits

On termination of service due to death, disability or retirement, a participant with a vested balance of less than \$1,000 will receive a lump-sum distribution. Participants who have balances greater than \$1,000 may elect to receive the total vested balance in a lump-sum distributed or may leave the balance in the Plan until minimum distribution is required. Hardship withdrawals as defined by the IRS and in-service withdrawals for participants who are at least 59 ½ years old are allowed as specified in the plan document. Benefits are recorded when due and payable in accordance with the terms of the Plan.

Administrative Expenses

All administrative expenses, other than investment management fees, are paid by the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis and present the net assets available for benefits and the changes in those assets. Under the terms of the trust agreement with State Street Bank (the Custodian), the Custodian manages trust funds on behalf of the Plan. The investments of the trust funds and the changes therein have been reported to the Plan as having been determined through the use of fair values (based on market quotations) for all assets of the trust funds.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attributable for that portion of net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition (Continued)

Assets Available for Benefits presents the fair value of the investment contracts as well as an adjustment of the fully benefit responsive investment contracts from the fair value to the contract value. The Statements of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

In the accompanying Statements of Changes in Net Assets Available for Benefits, the Plan presents the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on investments.

Interest income is recorded as earned for the Stable Value Fund. The blended net rate credited for the fund for 2011 and 2010 was 2.98% and 4.08%, respectively, based on the weighted average credited rate of all investment contracts and short-term income at year-end.

Notes Receivable from Participants

Notes receivable from participants are uncollateralized obligations and are stated at the amount of unpaid principal balance plus any accrued unpaid interest. Delinquent participant loans are reclassified as distributions based upon terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 – CERTIFIED INFORMATION PROVIDED BY THE PLAN CUSTODIAN

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustees (State Street Bank and Trust Company and T. Rowe Price Trust Company) have certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- a. Total participant-directed investments as shown in the accompanying Statements of Net Assets Available for Benefits of \$10,619,289 and \$10,533,319, as well as the adjustment from fair value to contract value for fully benefit-responsive investment contract of \$(92,136) and \$(95,925) as of December 31, 2011 and 2010, respectively.
- b. Notes receivable from participants as shown in the accompanying Statements of Net Assets Available for Benefits of \$286,996 and \$260,024 as of December 31, 2011 and 2010, respectively.
- c. Total investment income (loss) as shown in the accompanying Statements of Changes in Net Assets Available for Benefits of \$(210,155) and \$1,220,818 for the years ended December 31, 2011 and 2010, respectively.
- d. Interest income from notes receivable from participants as shown in the accompanying Statements of Changes in Net Assets Available for Benefits of \$16,312 and \$16,394 for the years ended December 31, 2011 and 2010, respectively.

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 3 – CERTIFIED INFORMATION PROVIDED BY THE PLAN CUSTODIAN
(CONTINUED)

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

NOTE 4 – INVESTMENTS

Participant-directed investments that represent 5% or more of the Plan's net assets at December 31, 2011 and 2010 are:

	<u>2011</u>	<u>2010</u>
T. Rowe Price Stable Value Fund**	\$2,549,770	\$2,556,516
T. Rowe Price Retirement 2030 Fund	1,382,229	1,286,450
T. Rowe Price Equity Income Fund	654,439	700,710
T. Rowe Price Mid-Cap Value Fund	*	578,797
T. Rowe Price Emerging Markets Stock Fund	*	567,992
T. Rowe Price Mid-Cap Growth Fund	*	555,083

* Investment is less than 5% of Plan assets in the indicated year

** Reported at contract value

NOTE 5 – INVESTMENTS, FAIR VALUE MEASUREMENTS

The fair value measurement framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 5 – INVESTMENTS, FAIR VALUE MEASUREMENTS (CONTINUED)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual funds: Valued at the net asset value (NAV) of units held by the Plan at year-end in active markets.

Stable value fund: The stable value fund (SVF) is an interest earning investment option, with the objective to preserve capital and to provide a competitive level of income over time that is consistent with the preservation of capital. To achieve its investment objective, the Portfolio invests in assets and enters into "wrapper" contracts issued by third-parties and invests in cash equivalents represented by shares in money market funds. The Fund seeks to minimize the exposure of the Portfolio to wrap credit risk through, among other means, diversification of the wrap contracts across an approved group of issuers. The Fund's ability to receive amounts due pursuant to these contracts is dependent upon the issuer's ability to meet their financial obligations. The SVF is valued at the net asset value of the shares held by the Plan. The net asset value is based on the market value of its underlying investments. The fund's net asset value is not a publicly-quoted price in an active market. There were no unfunded commitments and the redemption frequency and notice period was daily for the fund as of and for the years ended December 31, 2011 and 2010.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value for certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by the level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds, by type:				
Large cap growth	\$ 3,712,046	\$ -	\$ -	\$ 3,712,046
Mid cap growth	1,073,286	-	-	1,073,286
Large cap blended	782,482	-	-	782,482
Mid cap blended	201,590	-	-	201,590
Small cap blended	294,604	-	-	294,604
Large cap value	654,439	-	-	654,439
Mid cap value	513,084	-	-	513,084
Fixed income	744,841	-	-	744,841
Money market	<u>1,011</u>	<u>-</u>	<u>-</u>	<u>1,011</u>
Total mutual funds	7,977,383	-	-	7,977,383
Stable value fund	<u>-</u>	<u>2,641,906</u>	<u>-</u>	<u>2,641,906</u>
Total	<u>\$ 7,977,383</u>	<u>\$ 2,641,906</u>	<u>\$ -</u>	<u>\$10,619,289</u>

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 5 – INVESTMENTS, FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by the level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, by type:				
Large cap growth	\$ 3,236,793	\$ -	\$ -	\$ 3,236,793
Mid cap growth	961,674	-	-	961,674
Small cap growth	98,983	-	-	98,983
Large cap blended	1,010,572	-	-	1,010,572
Mid cap blended	191,713	-	-	191,713
Small cap blended	290,636	-	-	290,636
Large cap value	700,710	-	-	700,710
Mid cap value	578,797	-	-	578,797
Fixed income	<u>811,000</u>	<u>-</u>	<u>-</u>	<u>811,000</u>
Total mutual funds	7,880,878	-	-	7,880,878
Stable value fund	<u>-</u>	<u>2,652,441</u>	<u>-</u>	<u>2,652,441</u>
Total	<u><u>\$ 7,880,878</u></u>	<u><u>\$ 2,652,441</u></u>	<u><u>\$ -</u></u>	<u><u>\$10,533,319</u></u>

NOTE 6 – RELATED PARTIES

Certain officers of the Company are administrators of the Plan and are participants in the Plan. In addition, certain Plan investments are shares of mutual funds managed by T. Rowe Price who is the Plan's recordkeeper. T. Rowe Price was paid direct compensation by the Plan of \$4,289 and \$5,859 for the plan years ending December 31, 2011 and 2010, respectively. Therefore, these transactions qualify as party-in-interest transactions.

NOTE 7 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their entire accounts. Any unallocated assets of the Plan will be allocated to participant accounts and distributed in such a manner as the Company may determine.

NOTE 8 – TAX STATUS

The IRS has determined and informed the Company by a letter dated June 5, 1992, that the Plan and related trust is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. At December 31, 2011, the Plan failed the ADP nondiscrimination test due to excessive contributions being made by two participants during the plan year ended December 31, 2011. The Plan's management took corrective measures to bring the Plan's operations into compliance with the code.

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 9 – FORFEITED ACCOUNTS

The portion of a participant's account to which they are not entitled upon termination of participation is deemed to be a forfeiture. At December 31, 2011 and 2010, forfeited nonvested accounts totaled \$1,011 and \$0, respectively. These forfeited accounts will be used to reduce future employer contributions. The amount of forfeitures used during the years ended December 31, 2011 and 2010 was \$2,512 and \$14,001, respectively.

NOTE 10 – RISK AND UNCERTAINTIES

The Plan invests in various investment securities, which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 11 – RECONCILIATION TO IRS 5500

The following is a reconciliation of net assets available for benefits per the financial statements to net assets per the Form 5500 as of December 31:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 10,835,620	\$ 10,716,995
Employer contribution receivable	(5,966)	(5,403)
Participant contribution receivable	<u>(15,505)</u>	<u>(14,174)</u>
Net assets available for benefits per the Form 5500	<u><u>\$ 10,814,149</u></u>	<u><u>\$ 10,697,418</u></u>

The following is a reconciliation of employer contributions per the financial statements to employer contributions per the Form 5500 for the year ended December 31:

	<u>2011</u>	<u>2010</u>
Employer contributions per financial statements	\$ 202,011	\$ 186,506
Employer contribution receivable - prior year	5,403	5,865
Employer contribution receivable - current year	<u>(5,966)</u>	<u>(5,403)</u>
Employer contributions per Form 5500	<u><u>\$ 201,448</u></u>	<u><u>\$ 186,968</u></u>

The following is a reconciliation of participant contributions per the financial statements to participant contributions per the Form 5500 for the year ended December 31:

	<u>2011</u>	<u>2010</u>
Participant contributions per financial statements	\$ 572,994	\$ 542,720
Participant contribution receivable - prior year	14,174	14,849
Participant contribution receivable - current year	<u>(15,505)</u>	<u>(14,174)</u>
Participant contributions per Form 5500	<u><u>\$ 571,663</u></u>	<u><u>\$ 543,395</u></u>

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 12 – SUBSEQUENT EVENT

Management evaluated subsequent events through July 2, 2012, the date of these financial statements. Events or transactions occurring after December 31, 2011, but prior to July 2, 2012 that provided additional evidence about conditions that existed at December 31, 2011, have been recognized in the financial statements for the year ended December 31, 2011. Events or transactions that provided evidence about conditions that did not exist at December 31, 2011, but arose before the date of the financial statements, have not been recognized in the financial statements for the year ended December 31, 2011.

SUPPLEMENTAL INFORMATION

BOWLES FLUIDICS CORPORATION 401(k) PLAN AND TRUST
SCHEDULE H, LINE 4i -
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 52-0741762 PLAN: 001
December 31, 2011

Identity of Issuer, Borrower, Lessor or Similar Party		Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or	Cost **	Current Value
(a)	(b)	Maturity Value (c)	(d)	(e)
*	T. Rowe Price	International Stock Fund	\$ -	\$ 306,250
*	T. Rowe Price	International Discovery Fund	-	323,354
*	T. Rowe Price	Growth Stock Fund	-	377,425
*	T. Rowe Price	New Era Fund	-	222,104
*	T. Rowe Price	New Horizons Fund	-	119,862
*	T. Rowe Price	New Income Fund	-	341,712
*	T. Rowe Price	Small-Cap Value Fund	-	294,604
*	T. Rowe Price	Growth & Income Fund	-	188,188
*	T. Rowe Price	Mid-Cap Growth Fund	-	508,392
*	T. Rowe Price	Equity Income Fund	-	654,439
*	T. Rowe Price	Spectrum Income Fund	-	289,335
*	T. Rowe Price	Equity Index 500 Fund	-	344,991
*	T. Rowe Price	Emerging Markets Bond Fund	-	113,794
*	T. Rowe Price	Emerging Markets Stock Fund	-	535,993
*	T. Rowe Price	Health Sciences Fund	-	121,678
*	T. Rowe Price	Mid-Cap Value Fund	-	513,084
*	T. Rowe Price	Real Estate Fund	-	201,590
*	T. Rowe Price	Prime Reserve Fund	-	1,011
*	T. Rowe Price	Retirement 2010 Fund	-	207,365
*	T. Rowe Price	Retirement 2020 Fund	-	214,404
*	T. Rowe Price	Retirement 2030 Fund	-	1,382,229
*	T. Rowe Price	Retirement 2040 Fund	-	214,910
*	T. Rowe Price	Retirement Income Fund	-	8,022
*	T. Rowe Price	Retirement 2015 Fund	-	167,726
*	T. Rowe Price	Retirement 2035 Fund	-	313,502
*	T. Rowe Price	Retirement 2045 Fund	-	5,818
*	T. Rowe Price	Retirement 2050 Fund	-	4,534
*	T. Rowe Price	Retirement 2055 Fund	-	1,067
*	T. Rowe Price	Stable Value Fund***	-	2,549,770
	Notes Receivable from Participants	Interest rates ranging from 5.25%- 10.25% with various maturities	-	286,996
TOTAL ASSETS HELD			\$ -	\$ 10,814,149

* A party-in-interest as defined by ERISA

** Investments are participant-directed, and therefore cost information is not required

*** Reported at contract value

Name of Plan:	
▶ Bowles Fluidics 401(K) Plan	
Employer Identification Number:	▶ 52-0741762
For plan year (beginning/ending):	Plan number: ▶ 001

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