

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
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Part I	Annual Report Identification Information		
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011			
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 PENGATE RETIREMENT SAVINGS AND PROFIT SHARING PLAN	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	01/01/1995	
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) PENGATE HANDLING SYSTEMS, INC. 3 INTERCHANGE PLACE YORK, PA 17406	2b Employer Identification Number (EIN)	23-2500961	
	2c Sponsor's telephone number	717-764-3050	
	2d Business code (see instructions)	423800	

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.	10/04/2012	REAGAN FRUTH
	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)
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3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PENGATE HANDLING SYSTEMS, INC. 3 INTERCHANGE PLACE YORK, PA 17406	3b Administrator's EIN 23-2500961 3c Administrator's telephone number 717-764-3050
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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	134
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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	116
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	12
d Subtotal. Add lines 6a , 6b , and 6c	6d	129
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	2
f Total. Add lines 6d and 6e	6f	131
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	97
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	3

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:

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

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) ☐ **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>PENGATE RETIREMENT SAVINGS AND PROFIT SHARING 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>PENGATE HANDLING SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>23-2500961</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
FID.INV.INST.OPS.CO.

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure 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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
64 37 65 60	RECORDKEEPER	975	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

MORGAN STANLEY SMITH BARNEY LLC

C/O CITIGROUP/SMITH BARNEY
ATTN MF PROC DEP 3 333 W 34TH ST FL
NEW YORK, NY 10001

(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?
49 61 99	ADVISOR	0	Yes ☒ No ☐	Yes ☒ No ☐	308	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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ALL/BERN GLB VAL A - ALLIANCEBERNST</p> <p>13-3211780</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>BLKRK EQUITY DIV A - BNY MELLON INV P.O. BOX 9793 PROVIDENCE, RI 02940</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>BLKRK INTL BND INV A - BNY MELLON I P.O. BOX 9793 PROVIDENCE, RI 02940</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
OPPHMR GLOBAL OPP A - OPPENHEIMERFU P.O. BOX 5270 COLORADO, CO 80217	0.25%	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
PIMCO TOTAL RETURN R - BOSTON FINAN 04-2526037	0.25%	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
MORGAN STANLEY SMITH BARNEY LLC	61	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
OPPHMR GLOBAL OPP A - OPPENHEIMERFU 13-2953455	\$5M+=0.25%	

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:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>PENGATE RETIREMENT SAVINGS AND PROFIT SHARING 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>PENGATE HANDLING SYSTEMS, INC.</u>		D Employer Identification Number (EIN) <u>23-2500961</u>

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	2663	3349
	(2) Participant contributions	1b(2)	8112	9799
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	104908	128272
	(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)	84383	85583
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(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)	2784283	2887442
	(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	2984349	3114445

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	2984349	3114445
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	81254	
(B) Participants	2a(1)(B)	259951	
(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)		341205
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	10	
(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)	4472	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		4482
(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)	61267	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		61267
(3) Rents	2b(3)		
(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		-244798
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		162156

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	27498	
(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)		27498
f Corrective distributions (see instructions)	2f		3576
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)	986	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		986
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		32060

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		130096
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: MCKONLY & ASBURY LLP

(2) EIN: 23-1909723

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		400000
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.		X	

- 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.
---	--	--

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

A Name of plan <u>PENGATE RETIREMENT SAVINGS AND PROFIT SHARING 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>PENGATE HANDLING SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>23-2500961</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>04-6568107</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
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

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): _____

**PENGATE RETIREMENT SAVINGS
& PROFIT SHARING PLAN**

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULE

YEARS ENDED DECEMBER 31, 2011 AND 2010
AND INDEPENDENT AUDITOR'S REPORT



McKONLY & ASBURY_{LLP}
CERTIFIED PUBLIC ACCOUNTANTS

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

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ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Pengate Retirement Savings & Profit
Sharing Plan
York, Pennsylvania

We were engaged to audit the financial statements of Pengate Retirement Savings & Profit Sharing Plan (the Plan) as of December 31, 2011 and 2010, and for the years then ended, and the supplemental schedule as of December 31, 2011, as listed in the accompanying table of contents. 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 5, which was certified by Fidelity Management Trust Company, the custodian 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 custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the custodian 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 the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose 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

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financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have 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.

McKooly & Asbury, LLP

Camp Hill, Pennsylvania
October 1, 2012

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Investments, at fair value (Notes 3,4, and 5)		
Mutual funds	\$ 2,887,442	\$ 2,784,283
Money market fund	<u>128,272</u>	<u>104,908</u>
Total investments	<u>3,015,714</u>	<u>2,889,191</u>
Receivables		
Employer contributions	3,349	2,663
Participant contributions	9,799	8,112
Notes receivable from participants	<u>85,583</u>	<u>84,383</u>
Total receivables	<u>98,731</u>	<u>95,158</u>
Total assets	<u>3,114,445</u>	<u>2,984,349</u>
Liabilities		
Excess contributions payable	<u>4,940</u>	<u>-</u>
Total liabilities	<u>4,940</u>	<u>-</u>
Net assets available for benefits	<u>\$ 3,109,505</u>	<u>\$ 2,984,349</u>

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

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Additions		
Investment income		
Net appreciation (depreciation) in fair value of investments (Note 3)	\$ (244,798)	\$ 304,753
Interest and dividends	<u>61,277</u>	<u>48,427</u>
Total investment income, net	<u>(183,521)</u>	<u>353,180</u>
Interest income on notes receivable from participants	<u>4,472</u>	<u>3,270</u>
Contributions		
Employer	81,254	68,435
Participants	255,011	216,507
Rollover	<u>-</u>	<u>91,090</u>
Total contributions	<u>336,265</u>	<u>376,032</u>
Total additions	<u>157,216</u>	<u>732,482</u>
Deductions		
Benefits paid to participants	31,074	244,767
Corrective distributions	-	323
Administrative expenses (Note 6)	<u>986</u>	<u>1,632</u>
Total deductions	<u>32,060</u>	<u>246,722</u>
Net increase	125,156	485,760
Net assets available for benefits		
Beginning of year	<u>2,984,349</u>	<u>2,498,589</u>
End of year	<u>\$ 3,109,505</u>	<u>\$ 2,984,349</u>

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

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the Pengate Retirement Savings & Profit Sharing Plan (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 plan covering all full-time employees of Pengate Handling Systems, Inc. (the Company), except union and non-resident alien employees, who have completed three consecutive months of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

Contributions

Each year participants may contribute up to 75 percent of pretax annual compensation, as defined in the Plan agreement. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company may make discretionary contributions to match employee contributions to the Plan in amounts determined by the Company. The Company contributed 50 percent of the employee deferral, not to exceed the first 5% of the employee's compensation during 2011 and 2010. Contributions are subject to certain limitations.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan offers various mutual funds and one money market fund as investment options for participants.

The Plan document permits participants to make Roth Elective Deferrals. Roth Elective Deferrals are (1) designated irrevocably by the participant at the time of the deferred election as Roth Elective Deferrals, and (2) are treated by the employer as includible in the participant's income at the time the participant would have received the amount in cash had the participant not made a deferred election. Roth Elective Deferrals may not be reclassified as any other type of contribution. Roth Elective Deferrals shall be treated in the same manner as a pre-tax elective deferral under the terms of the Plan. Employees shall have the effective opportunity to make (or change) an election to make Roth Elective Deferrals in the same manner as pre-tax elective deferrals. For purposes of interpreting the Plan and the elections made under the Adoption Agreement, as amended, the term elective deferral shall mean both pre-tax elective deferrals and Roth Elective Deferrals.

The Plan automatically enrolls eligible employees into the Plan, with a deferral percentage of 1%, unless an eligible employee affirmatively elects otherwise. Participant deferral percentages will be increased annually by 1%, not to exceed 5%, while an active participant. The participants may elect to change their elections at any time after enrollment.

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Transaction based fees associated with optional plan services are charged directly to the respective participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts, become vested as follows:

<u>Years of Vesting Service</u>	<u>Vesting Percentage for Company Contributions</u>
Less than 2	0%
At least 2 but less than 3	20%
At least 3 but less than 4	40%
At least 4 but less than 5	60%
At least 5 but less than 6	80%
6 or more	100%

Regardless of the vesting schedule, a participant becomes fully vested if, while employed by the Company, the participant 1) reaches early retirement age (62), 2) dies, or 3) becomes disabled.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The notes receivable are secured by the vested balance in the participant's account and bear interest at rates that range from 4.80 percent to 8.00 percent, which are commensurate with local prevailing market rates as determined by the Plan administrator. Principal and interest is paid ratably through biweekly payroll deductions.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to rollover their entire vested interest, receive a lump-sum distribution of their vested account balance, or receive single sum distributions of a portion of their vested account balance. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

Forfeitures

At December 31, 2011 and 2010, forfeited nonvested accounts totaled \$114 and \$21. These accounts will be used to reduce future Company contributions. Also, in 2011 and 2010, Company contributions were reduced by \$2,116 and \$4,034 from forfeited nonvested accounts.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could 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 4 for discussion of fair value measurements.

Purchases and sales 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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the plan document.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Audit fees of the Plan are paid by the Company. Administrative expenses are paid by either the Company or the Plan.

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

Income Taxes

The Plan adheres to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740). ASC 740 establishes rules for recognizing and measuring tax positions taken in an income tax return, including disclosures of uncertain tax positions (UTPs). ASC 740 mandates that companies evaluate all material income tax positions for periods that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position. A plan can recognize an income tax benefit only if the position has a "more likely than not" (i.e. more than 50 percent) chance of being sustained on its technical merits. For the years ended December 31, 2011 and 2010, the Plan has taken no material tax positions on its applicable tax filings that do not meet the more likely than not threshold. As a result, no amount for UTPs has been included in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Subsequent Events

The Plan has evaluated subsequent events through October 1, 2012, the date the financial statements were available to be issued.

3. INVESTMENTS

Fidelity Management Trust Company (Fidelity) holds the funds for the Plan and maintains an individual account for each participant. Contributions made on a participant's behalf under the Plan are directly allocated to that participant's account and are invested, based on the individual's direction, in mutual funds and a money market fund.

The following presents investments that represent 5% or more of the Plan's net assets:

	Fair Value at December 31, 2011	Fair Value at December 31, 2010
Fair value, as determined by the custodian		
BlackRock Equity Dividend Fund Investor Class A	\$ 157,547	\$ 176,588
Fidelity Advisor Diversified International Fund Class A	\$ 283,106	\$ 343,014
Fidelity Advisor Global Capital Appreciation Fund Class A	\$ 368,784	\$ 525,943
Fidelity Advisor Government Income Fund Class A	\$ 506,266	\$ 421,124
Fidelity Advisor New Insights Fund Class A	\$ 595,030	\$ 564,230

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by (\$244,798) and \$304,753 as follows:

	2011	2010
Mutual funds	\$ (244,798)	\$ 304,753
Money market	-	-
	<u>\$ (244,798)</u>	<u>\$ 304,753</u>

4. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That 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 under FASB ASC 820 are described as follows:

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 data by correlation or other means.

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.

The asset 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.

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

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 shares held by the Plan at year end. NAV is used as a practical expedient to fair value and shares may be redeemed on a daily basis.

Money market fund: Valued at the NAV of shares held by the Plan at year end. NAV is used as a practical expedient to fair value and shares may be redeemed on a daily basis.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets at fair value as of December 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Large Cap	\$ 847,231	\$ -	\$ -	\$ 847,231
Mid Cap	41,082	-	-	41,082
Small Cap	79,426	-	-	79,426
International	763,593	-	-	763,593
Blended	332,335	-	-	332,335
Specialty	27,333	-	-	27,333
Bond	<u>796,442</u>	<u>-</u>	<u>-</u>	<u>796,442</u>
Total mutual funds	2,887,442	-	-	2,887,442
Money market fund	<u>128,272</u>	<u>-</u>	<u>-</u>	<u>128,272</u>
Total assets at fair value	<u>\$ 3,015,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,015,714</u>

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				
Large Cap	\$ 807,730	\$ -	\$ -	\$ 807,730
Mid Cap	1,527	-	-	1,527
Small Cap	125,453	-	-	125,453
International	935,206	-	-	935,206
Blended	348,230	-	-	348,230
Specialty	25,888	-	-	25,888
Bond	<u>540,249</u>	<u>-</u>	<u>-</u>	<u>540,249</u>

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total mutual funds	2,784,283	-	-	2,784,283
Money market fund	<u>104,908</u>	<u>-</u>	<u>-</u>	<u>104,908</u>
Total assets at fair value	<u>\$ 2,889,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,889,191</u>

5. INFORMATION CERTIFIED BY CUSTODIAN (UNAUDITED)

As permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, Fidelity Management Trust Company has certified the following information, which has not been subject to audit by independent auditors, to be complete and accurate:

- Investment balances included in the statements of net assets available for benefits at December 31, 2011 and 2010, and in the notes to the financial statements.
- Investment income and net appreciation (depreciation) in fair value of investment balances included in the statements of changes in net assets available for benefits for the years ended December 31, 2011 and 2010, and in the notes to the financial statements.
- Information, exclusive of notes receivable from participants, included in the accompanying Schedule of Assets (Held at End of Year).

6. PARTY-IN-INTEREST

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the plan for the investment management services are included as a component of net appreciation (depreciation) in fair value of investments.

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 would become 100 percent vested in their Company contributions.

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

8. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, and therefore believe that the plan is qualified and the related trust is tax-exempt.

9. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities 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 statement of net assets available for benefits.

10. EXCESS CONTRIBUTIONS PAYABLE

Employee contributions for 2011 are net payments of \$4,940 made to certain active participants to return to them excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. This amount is included in the Plan's statement of net assets available for benefits as excess contributions payable at December 31, 2011. No excess contributions were made during 2010.

11. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of total investments per the financial statements to the Form 5500:

	<u>2011</u>	<u>2010</u>
Total investments per the financial statements	\$ 3,015,714	\$ 2,889,191
Participant loans included in investments on the Form 5500	<u>85,583</u>	<u>84,383</u>
Total investments per the Form 5500	<u>\$ 3,101,297</u>	<u>\$ 2,973,574</u>

(continued)

PENGATE RETIREMENT SAVINGS & PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

The following is a reconciliation of notes receivable per the financial statements to the Form 5500:

	<u>2011</u>	<u>2010</u>
Notes receivable per the financial statements	\$ 85,583	\$ 84,383
Notes receivable reported as participant loans (included in investments) on the Form 5500	<u>(85,583)</u>	<u>(84,383)</u>
Notes receivables per the Form 5500	<u>\$ -</u>	<u>\$ -</u>

The following is a reconciliation of net assets available for benefits per the financial statements and the Form 5500:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 3,109,505	\$ 2,984,349
Excess contributions payable on the financial statements, not on Form 5500	<u>4,940</u>	<u>-</u>
Net assets available for benefits per the Form 5500	<u>\$ 3,114,445</u>	<u>\$ 2,984,349</u>

The following is a reconciliation of the net increase (decrease) per the financial statements to the Form 5500:

	<u>2011</u>	<u>2010</u>
Net increase (decrease) per the financial statements	\$ 125,156	\$ 485,760
Excess contributions payable on the financial statements, not on the Form 5500	<u>4,940</u>	<u>-</u>
Net increase per the Form 5500	<u>\$ 130,096</u>	<u>\$ 485,760</u>

SUPPLEMENTAL SCHEDULE

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
Name of Plan Sponsor: Pengate Handling Systems, Inc.
Name of Plan: Pengate Retirement Savings & Profit Sharing Plan
Employer Identification Number: 23-2500961
Three-digit Plan Number: 001
For the Year Ended December 31, 2011

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	BlackRock Equity Dividend Fund Investor Class A	Mutual Fund	**	\$ 157,547
	Blackrock International BND INV Fund Class A	Mutual Fund	**	2,463
*	Fidelity Advisor Diversified International Fund Class A	Mutual Fund	**	283,106
*	Fidelity Advisor Dividend Growth Fund Class A	Mutual Fund	**	94,654
*	Fidelity Advisor Freedom 2015 Fund Class A	Mutual Fund	**	11,755
*	Fidelity Advisor Freedom 2020 Fund Class A	Mutual Fund	**	23,608
*	Fidelity Advisor Freedom 2025 Fund Class A	Mutual Fund	**	91,251
*	Fidelity Advisor Freedom 2030 Fund Class A	Mutual Fund	**	116,931
*	Fidelity Advisor Freedom 2035 Fund Class A	Mutual Fund	**	42,436
*	Fidelity Advisor Freedom 2040 Fund Class A	Mutual Fund	**	29,054
*	Fidelity Advisor Freedom 2045 Fund Class A	Mutual Fund	**	1,823
*	Fidelity Advisor Freedom 2050 Fund Class A	Mutual Fund	**	15,184
*	Fidelity Advisor Global Capital Appreciation Fund Class A	Mutual Fund	**	368,784
*	Fidelity Advisor Government Income Fund Class A	Mutual Fund	**	506,266
*	Fidelity Advisor High Income Advantage Fund Class A	Mutual Fund	**	48,090
*	Fidelity Advisor Leveraged Company Stock Fund Class A	Mutual Fund	**	41,082
*	Fidelity Advisor New Insights Fund Class A	Mutual Fund	**	595,030
*	Fidelity Advisor Real Estate Fund Class A	Mutual Fund	**	27,333
*	Fidelity Advisor Small Cap Fund Class A	Mutual Fund	**	79,426
*	Fidelity Advisor Strategic Income Fund Class A	Mutual Fund	**	113,435
*	Fidelity Advisor Value Fund Class A	Mutual Fund	**	293
	Oppenheimer Global Opportunities Fund Class A	Mutual Fund	**	111,703
	PIMCO Total Return Fund Class R	Mutual Fund	**	126,188
	Total Mutual Funds		**	\$ 2,887,442
*	Fidelity Cash Management Prime Fund: Daily Money Class	Money Market Fund	**	\$ 128,272
*	Notes receivable from participants (participant loans)	4.80% - 8.00%	-0-	\$ 85,583
	* - Party-in-interest			
	** - Historical cost information has not been provided for these participant-directed investments.			

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
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Name of Plan: Pengate Retirement Savings & Profit Sharing Plan
Employer Identification Number: 23-2500961
Three-digit Plan Number: 001
For the Year Ended December 31, 2011

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	BlackRock Equity Dividend Fund Investor Class A	Mutual Fund	**	\$ 157,547
	Blackrock International BND INV Fund Class A	Mutual Fund	**	2,463
*	Fidelity Advisor Diversified International Fund Class A	Mutual Fund	**	283,106
*	Fidelity Advisor Dividend Growth Fund Class A	Mutual Fund	**	94,654
*	Fidelity Advisor Freedom 2015 Fund Class A	Mutual Fund	**	11,755
*	Fidelity Advisor Freedom 2020 Fund Class A	Mutual Fund	**	23,608
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	** - Historical cost information has not been provided for these participant-directed investments.			