

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 <u>ATLAS HYDRAULICS, INC. 401(K) PLAN</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/01/1994</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>001</u>	1c Effective date of plan	<u>01/01/1994</u>
1b Three-digit plan number (PN) ►	<u>001</u>				
1c Effective date of plan	<u>01/01/1994</u>				
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>ATLAS HYDRAULICS, INC.</u> <u>700 E. REDWOOD BLVD.</u> <u>PO BOX 800</u> <u>BRANDON, SD 57005</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN) <u>46-0393594</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>605-582-7221</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>423700</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>46-0393594</u>	2c Sponsor's telephone number <u>605-582-7221</u>	2d Business code (see instructions) <u>423700</u>	
2b Employer Identification Number (EIN) <u>46-0393594</u>					
2c Sponsor's telephone number <u>605-582-7221</u>					
2d Business code (see instructions) <u>423700</u>					

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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2012</u>	<u>VICKI J. BOWERS</u>
	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") ATLAS HYDRAULICS, INC. 700 E. REDWOOD BLVD. PO BOX 800 BRANDON, SD 57005	3b Administrator's EIN 46-0393594 3c Administrator's telephone number 605-582-7221
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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	228
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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	236
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	18
d Subtotal. Add lines 6a , 6b , and 6c	6d	254
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	254
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	170
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	17

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 3D 3H

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>ATLAS HYDRAULICS, INC. 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>ATLAS HYDRAULICS, INC.</u>	D Employer Identification Number (EIN) <u>46-0393594</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
<u>THE FIRST NATIONAL BANK SIOUX FALLS</u> <u>100 SOUTH PHILLIPS AVENUE</u> <u>46-6085346</u> <u>SIOUX FALLS, SD 57117</u>

(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)

EMJAY CORPORATION

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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	RECORDKEEPER	640	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
(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
(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
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(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
(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>ATLAS HYDRAULICS, INC. 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>ATLAS HYDRAULICS, INC.</u>	D Employer Identification Number (EIN) <u>46-0393594</u>	

Part I	Asset and Liability Statement		
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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	78110	104029
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	118260
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	3507448	3548500
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	3585558	3770789

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
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	3585558	3770789
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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)	197182	
(B) Participants	2a(1)(B)	301937	
(C) Others (including rollovers)	2a(1)(C)	1446	
(2) Noncash contributions	2a(2)	0	500565
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
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)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	2991	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3001
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	83379	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		83379
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-183568
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		403377

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	216722	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		216722
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		784
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	640	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		640
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		218146

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		185231
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

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: EIDE BAILLY

(2) EIN: 45-0250958

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.).....	☒	☐	130
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	359000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
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.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
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.	☐	☒	

- 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>ATLAS HYDRAULICS, INC. 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>ATLAS HYDRAULICS, INC.</u>	D Employer Identification Number (EIN) <u>46-0393594</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>20-3691658</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
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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): _____



Financial Statements
December 31, 2011 and 2010

Atlas Hydraulics, Inc. 401(k) Plan

Atlas Hydraulics, Inc. 401(k) Plan
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December 31, 2011 and 2010

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Independent Auditor's Report

The Plan Administrators
Atlas Hydraulics, Inc. 401(k) Plan
Brandon, South Dakota

We were engaged to audit the accompanying statements of net assets available for benefits of Atlas Hydraulics, Inc. 401(k) Plan (Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedules (1) Schedule H, Line 4i-Schedule of Assets Held At End of Year, and (2) Schedule H, Line 4a-Schedule of Delinquent Participant Contributions as of or for the year ended December 31, 2011. These financial statements and supplemental schedules 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 EMJAY Retirement Services, Inc., the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. 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 December 31, 2011 and 2010 and for the year ended December 31, 2011, 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 schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are 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 schedules, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
August 13, 2012

Atlas Hydraulics, Inc. 401(k) Plan
Statements of Net Assets Available for Benefits
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Investments, at fair value	\$ 3,652,529	\$ 3,585,558
Notes receivable from participants	<u>118,260</u>	<u>-</u>
Net Assets Available for Benefits	<u><u>\$ 3,770,789</u></u>	<u><u>\$ 3,585,558</u></u>

Atlas Hydraulics, Inc. 401(k) Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2011

Additions	
Investment Loss	
Interest and dividends	\$ 83,389
Net depreciation in fair value of investments	(183,568)
Total investment loss	<u>(100,179)</u>
Interest income on notes receivable from participants	2,991
Contributions	
Participant	301,937
Employer	197,182
Rollovers	1,446
Total contributions	<u>500,565</u>
Deductions	
Benefits paid to participants	216,722
Deemed loan distributions	784
Administrative expenses	640
Total deductions	<u>218,146</u>
Net Increase	185,231
Net Assets Available for Plan Benefits	
Beginning of year	<u>3,585,558</u>
End of year	<u><u>\$ 3,770,789</u></u>

Note 1 - Description of Plan

The following brief description of the Atlas Hydraulics, Inc. 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan adopted January 1, 1994, which includes employees of Atlas Hydraulics Inc. and Fleetwood Metal Industries, Inc, a related employer and jointly referred to as the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

Employees are eligible to participate in the Plan and also share in the allocation of the employer safe harbor matching contribution if they have completed 90 days of service and are 18 years of age.

Entry Date

Employees may enter the Plan on the first day of the plan quarter coinciding with or next following the date on which the employee satisfies the eligibility requirements.

Contributions

Each year, participants, may contribute up to 100% of their pretax annual compensation, as defined in the Plan. Contributions are subject to certain Internal Revenue Code (IRC) limitations. 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 plans.

Effective January 1, 2010, the Plan adopted an amendment to become a safe harbor 401(k) plan. In order to maintain "safe harbor" status, the Plan Sponsor will make a safe harbor matching contribution equal to 100% of a participant's salary deferrals that do not exceed 3% of their compensation plus 50% of the participant's salary deferral between 3% and 5% of their compensation. For purposes of calculating the safe harbor matching contributions, deferrals and matching contributions will be computed and remitted for each payroll period.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, and Plan earnings, and charged with payments of benefits and an allocation of Plan losses and administrative expenses. Allocations are based on participant's compensation or account balances, as defined by their Plan Document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investment Options

Upon enrollment in the Plan, a participant may direct employee and employer contributions in any of the funds offered by the Plan. Participants may change their investment options daily.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Participants are 100% vested in the prior employer matching contributions and related earnings after one year of service. The safe harbor matching contribution is 100% vested for all participants.

Notes Receivable from Participants

Effective January 1, 2011, the Plan adopted a loan policy to allow participant loans within the Plan. 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% of their vested account balance. The notes are secured by the balance in the participant's account and for notes originating in any given month, the interest on the note will be based on the prime rate published in The Wall Street Journal on the first business day of each month, plus 1%. Principal and interest is paid ratably through payroll deductions over a period not to exceed five years, unless the proceeds of the note were used to acquire the participant's residence, in which case the note may be 15 years. A participant may have no more the one outstanding note at a time.

Payment of Benefits

Participants may elect to receive either a lump-sum amount equal to the value of their vested interest or annual installments as defined in the Plan Document upon retirement, termination, death or disability. A terminated employee with a balance of less than \$1,000 may be automatically paid out by the Plan upon termination. Any terminated participants with a balance between \$1,000 and \$5,000 can still be automatically paid out if their balance is rolled into a qualified Individual Retirement Account. Distributions may be made at the participant's election prior to termination upon attainment of age 59½ or for hardship as defined in the Plan Document.

Death Benefits

The designated beneficiary is entitled to a death benefit distribution equal to the participant's vested account balance.

Other

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 set forth in ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using 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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's 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 of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as those 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 receivables are reclassified as distributions based upon the terms of the Plan Document.

Payments of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Fees

Administrative expenses of the Plan are paid by the Plan as provided in the Plan Document and by the Plan Sponsor.

Subsequent Events

The Plan sponsor has evaluated subsequent events through August 13, 2012, the date which the financial statements were available to be issued.

Note 3 - Investments

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010 are as follows:

	2011	2010
American Funds Investment Co of America	\$ 887,823	\$ 930,207
American Funds Europacific Growth Fund	671,591	810,017
American Funds Capital Income Builder	621,147	597,346
Federated Max Cap Index Fund	382,438	363,759
Vanguard Mid Cap Index Fund Signal	323,275	**
Fidelity Capital Appreciation Fund	291,816	265,925
American Funds Bond Fund of America	231,305	203,427
Fidelity Advisor Mid Cap Fund - Inst'l	**	283,759

** Investment balance less than 5% of the Plan's net assets for the applicable year.

The depreciation of investments (including gains and losses on investments bought and sold, as well as held during the year) of (\$183,568) at December 31, 2011 relates entirely to investments in mutual funds.

The classification of investment losses reported above and in the statement of changes in net assets may differ from the classification of losses on Form 5500 due to different reporting requirements on Form 5500.

Note 4 - Fair Value Measurements

Topic ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritized 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 the authoritative guidance 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 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'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.

The 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.

Money market mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year end.

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 of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	2011			Total
	(Level 1)	(Level 2)	(Level 3)	
Mutual funds				
Bond funds	\$ 231,305	\$ -	\$ -	\$ 231,305
Blended funds	1,653,234	-	-	1,653,234
Value funds	621,999	-	-	621,999
Growth funds	291,816	-	-	291,816
International funds	671,591	-	-	671,591
Target funds	78,555	-	-	78,555
Total mutual funds	3,548,500	-	-	3,548,500
Money market mutual funds	104,029	-	-	104,029
Total assets at fair value	\$ 3,652,529	\$ -	\$ -	\$ 3,652,529
	2010			Total
	(Level 1)	(Level 2)	(Level 3)	
Mutual funds				
Bond funds	\$ 203,427	\$ -	\$ -	\$ 203,427
Blended funds	1,346,974	-	-	1,346,974
Value funds	597,346	-	-	597,346
Growth funds	549,684	-	-	549,684
International funds	810,017	-	-	810,017
Total mutual funds	3,507,448	-	-	3,507,448
Money market mutual funds	78,110	-	-	78,110
Total assets at fair value	\$ 3,585,558	\$ -	\$ -	\$ 3,585,558

Note 5 - Information Certified by the Plan Custodian

The Plan Administrator has elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, as permitted under such election, no independent auditing procedures were performed with respect to the information certified by EMJAY Retirement Plan Services, Inc., the custodian.

The Plan custodian has certified its statement of accounts as of December 31, 2011 and 2010 and for the year ended December 31, 2011. The statement of accounts includes beginning and ending balances of investments held, notes receivable from participants, and detail of all transactions during the period, including investment losses and interest income on notes receivable from participants.

Note 6 - Tax Status

The Plan uses a prototype plan document sponsored by EMJAY Retirement Plan Services, Inc. EMJAY Retirement Plan Services, Inc. received an opinion letter from the Internal Revenue Service (IRS), dated March 31, 2008, which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the Internal Revenue Service. However, the Plan's management believes that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure 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. The Plan is currently undergoing an audit by the Department of Labor for the period January 1, 2007 through December 31, 2010. The Plan Administrator has not received correspondence from the Department of Labor regarding the audit status, however, they feel the Plan has been operated in compliance with ERISA and does not require the recognition of liability or asset disclosure in the financial statements.

Note 7 - Plan Amendments

Effective January 1, 2011, the Plan was amended to allow notes receivable from participants.

The Plan was amended during the year ended December 31, 2010 to comply with recent legislative and regulatory changes, including the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act) and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA).

Note 8 - Nonexempt Party-in-Interest Transaction

It was noted in 2011 there were delays by the Company in submitting employee contributions to the custodian in the aggregate amount of \$130. These contributions were submitted later than required by Department of Labor (DOL) Regulation 2510.3-102. The Company filed Form 5330 with the IRS and paid the required excise tax on the transaction. In addition, participant accounts were credited with the amount of investment income that would have been earned had the participant contribution been remitted on a timely basis.



Supplementary Schedules
December 31, 2011

Atlas Hydraulics, Inc. 401(k) Plan

Atlas Hydraulics, Inc. 401(k) Plan
Schedule H, Line 4i - Schedule of Assets Held at End of Year
December 31, 2011
Plan: 001

EIN: 46-0393594

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
	Federated Prime Obligations Fund	Money Market Mutual Fund	N/A	\$ 104,029
	American Funds Bond Fund of America	Mutual Fund	N/A	231,305
	American Funds Capital Income Builder	Mutual Fund	N/A	621,147
	American Funds Europacific Growth Fund	Mutual Fund	N/A	671,591
	American Funds Investment Co of America	Mutual Fund	N/A	887,823
	Federated Max Cap Index Fund	Mutual Fund	N/A	382,438
	Fidelity Capital Appreciation Fund	Mutual Fund	N/A	291,816
	Vanguard Target Retirement 2010 Fund	Mutual Fund	N/A	12,136
	Vanguard Target Retirement 2020 Fund	Mutual Fund	N/A	29,086
	Vanguard Target Retirement 2030 Fund	Mutual Fund	N/A	18,420
	Vanguard Target Retirement 2040 Fund	Mutual Fund	N/A	18,597
	Vanguard Target Retirement 2050 Fund	Mutual Fund	N/A	316
	T. Rowe Price Equity Income Fund	Mutual Fund	N/A	852
	Vanguard Mid Cap Index Fund Signal	Mutual Fund	N/A	323,275
	Vanguard Small Cap Index Signal	Mutual Fund	N/A	59,698
	*Various Participants	(Participant loans maturing 2012- 2016 at interest rate of 4.25%)	118,260	<u>118,260</u>
	Total assets held at end of year			<u><u>\$ 3,770,789</u></u>

* - A party-in-interest as defined by ERISA.
N/A - Not applicable for participant-directed plan.

Atlas Hydraulics, Inc. 401(k) Plan
Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
Year Ended December 31, 2011
Plan: 001

EIN: 46-0393594

Participant Contributions Transferred Late to Plan	Late Participant Loan Repayments Are Included (Yes/No/NA)	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$ 130	NA	\$ -	\$ 130	\$ -	\$ -

ASSETS HELD FOR INVESTMENT PURPOSES

Atlas Hydraulics, Inc. 401(k) Plan
01-JAN-11 to 31-DEC-11

20-JAN-12 03:30:44

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1VTENX			12,323.27	12,136.32
1VTW NX			30,376.15	29,086.43
1VTHR X			19,328.75	18,419.82
1VFOR X			19,206.13	18,597.29
1VFIF X			318.39	316.47
1PRSXX			104,027.45	104,027.45
1RBFEX			222,909.77	231,304.80
1RIREX			651,757.21	621,147.04
1RICEX			956,460.93	887,823.31
1FISPX			511,220.10	382,437.73
1FDCA X			269,354.76	291,815.50
1PAFDX			832.19	851.54
1VMISX			342,245.01	323,275.30
1VSISX			63,028.68	59,697.77
1REREX			727,806.22	671,590.84
			3,931,195.01	3,652,527.61
PARTICIPANT LOANS	VARIOUS	4.250-4.250	118,234.52	118,260.19
FORFEITURES			1.25	1.25

Attachment to Form 5500, Schedule H, Part 4, Item I
 EIN # 46-0393594

LEGEND

INVESTMENT OPTION:

1VTENX	Vanguard Target Retirement 2010 Fund	1VTW NX	Vanguard Target Retirement 2020 Fund
1VTHR X	Vanguard Target Retirement 2030 Fund	1VFOR X	Vanguard Target Retirement 2040 Fund
1VFIF X	Vanguard Target Retirement 2050 Fund	1PRSXX	Federated Prime Obligations Fund SS
1RBFEX	American Funds Bond Fund of America R4	1RIREX	American Funds Capital Income Builder R4
1RICEX	American Funds Invest Co of America R4	1FISPX	Federated Max-Cap Index Fund IS
1FDCA X	Fidelity Capital Appreciation Fund	1PAFDX	T. Rowe Price Equity Income Fund - Adv
1VMISX	Vanguard Mid Cap Index Fund Signal	1VSISX	Vanguard Small Cap Index Signal
1REREX	American Funds EuroPacific Growth Fd R4		

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year

August 8, 2012

Eide Bailly LLP
200 East 10th Street; Suite 500
Sioux Falls, SD 57117-5126

We are providing this letter in connection with your audits of the financial statements and supplemental schedules of Atlas Hydraulics, Inc. 401(k) Plan as of December 31, 2011 and 2010 and for the year ended December 31, 2011. As permitted by Regulation 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), we have instructed you not to perform any auditing procedures with respect to information prepared and certified to by EMJAY Retirement Services, Inc., the custodian, in accordance with DOL Regulation 2520.103-5, except for comparing the information with the related information included in the financial statements and supplemental schedules. Because of the significance of the information which you did not audit, we understand that you will not express an opinion on the financial statements and supplemental schedules taken as a whole.

We are responsible for the fair presentation in the Plan's financial statements of net assets available for benefits and changes in net assets available for benefits in conformity with U.S. generally accepted accounting principles and for the fair presentation of the accompanying supplemental schedules in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of August 8, 2012, the following representations made to you during your audits.

- 1) The financial statements and related footnotes are fairly presented in conformity with U.S. generally accepted accounting principles, and the notes include all disclosures required by laws and regulations to which the plan is subject, including the DOL Rules and Regulations for Reporting and Disclosure under ERISA.
- 2) We have made available to you all—
 - a) Financial records and related data.
 - b) All minutes of the meetings of the Board of trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c) Plan instruments, trust agreements, or investment contracts and amendments to such documents entered into during the year, including amendments to comply with applicable laws.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, that could have a material effect on the financial statements in the event of noncompliance. The Plan is currently undergoing a Department of Labor (DOL) audit for the years ended December 31, 2007 through December 31, 2010. However, as of the date of this letter, we have not received any further correspondences from the DOL.
- 4) We have no knowledge of any fraud or suspected fraud affecting the plan involving—

- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 5) We have no knowledge of any allegations of fraud or suspected fraud affecting the plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
- 6) We have no—
- a) Plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - b) Intentions to terminate the plan.
- 7) The following have been properly recorded or disclosed in the financial statements:
- a) Related-party transactions, including transactions with parties-in-interest, as defined in ERISA Section 3(14) and regulations thereunder, including sales, purchases, loans, transfers, and amounts receivable from or payable to related parties.
 - b) All significant estimates and material concentrations known to management that are to be disclosed in accordance with FASB Accounting Standards Codification 275, *Risks and Uncertainties*. We understand that the significant estimates covered by this disclosure are estimates at the date of the statement of net assets that are reasonably possible of changing materially within the next year. Concentrations refer to the nature and type of investments held by the plan, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - c) Amendments to the plan instrument, if any.
- 8) There are no—
- a) Guarantees whether written or oral under which the plan is contingently liable to a bank or other lending institution.
 - b) Violations or possible violations of laws or regulations (including ERISA, DOL, and IRS regulations) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - c) Pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with *FASB Accounting Standards Codification 450, Contingencies*, and the plan has not consulted a lawyer concerning litigation, claims, or assessments.
 - d) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Accounting Standards Codification 450, *Contingencies*.
 - e) Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - f) Other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans in default, or events that may jeopardize the tax status) that legal counsel have advised us that must be disclosed.
- 9) The plan has complied with all aspects of debt and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 10) The methods and significant assumptions used to estimate fair values of financial instruments, including nonreadily marketable securities, are reported in Note 4 in the financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.
- 11) Financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.

- 12) All required filings of plan documents with the appropriate agencies have been made. The plan obtained its opinion letter on March 31, 2008, in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The plan has been amended since receiving the opinion letter. However, the plan administrator and the plan's tax counsel believe the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the plan was qualified and the related trust was tax-exempt as of the financial statement date.
- 13) The plan and the trust established under the plan are qualified under the appropriate section of the Internal Revenue Code and we intend to continue them as a qualified plan and trust. The plan sponsor has operated the Plan and trust in a manner that did not jeopardize this tax status. Required testing related to safe harbor plans, as applicable, has been completed for the plan.
- 14) The plan has complied with the Department of Labor's regulations concerning the timely remittance of participant contributions to trusts containing assets for the plan, except as disclosed in the financial statements. A Form 5330 has been prepared and filed.
- 15) The plan has complied with the fidelity bonding requirements of ERISA.
- 16) The plan has satisfactory title to all owned assets which are recorded at fair value, and all liens, encumbrances, or security interest requiring disclosure in the financial statements have been properly disclosed.
- 17) There are no—
 - a) Non-exempt party-in-interest transactions (as defined in ERISA Section 3(14) and regulations under the section) that were not disclosed in the supplemental schedule or financial statements.
 - b) Investments in default or considered to be uncollectible that were not disclosed in the supplemental schedules.
 - c) Reportable transactions (as defined in ERISA Section 103(b)(3)(H) and regulations under that section) that were not disclosed in the supplemental schedule.
- 18) We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the plan. The Plan is currently undergoing an audit by the Department of Labor, however, as of the date of this letter we have not received any communication regarding the final outcome.
- 19) We believe the form and content of the supplemental schedules H, Line 4i – Schedule of Assets Held at End of Year and H, Line 4a – Schedule of Delinquent Participant Contributions are fairly presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- 20) We acknowledge that we obtained and reviewed a Service Auditor's Report (SOC1) and are performing the applicable user controls.

No events have occurred subsequent to the date of the plan's financial statements and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Chad Hasert, General Manager, Atlas Hydraulics, Inc.

Vicki Bowers, Human Resource Manager, Atlas Hydraulics, Inc.

Attachment to 2011 Form 5500
Schedule H, line 4a - Schedule of Delinquent Participant Contributions

Plan Name ATLAS HYDRAULICS, INC. 401(K) PLAN

EIN: 46-0393594

Plan Sponsor's Name ATLAS HYDRAULICS, INC.

PN: 001

Total that Constitute Nonexempt Prohibited Transactions				
Participant Contributions Transferred Late to Plan	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☐		130		