# 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 01/01/2011 and ending 12/31/2011

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 10/01/1982

**2a** Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

HYDRAULICS INTERNATIONAL, INC.

9201 INDEPENDENCE AVE
CHATSWORTH, CA 91311

**2b** Employer Identification Number (EIN) 95-2985753

**2c** Sponsor's telephone number 818-652-5577

**2d** Business code (see instructions) 333200

**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. | 10/11/2012 | HEIDI MARUSA |
| | **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 |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
HYDRAULICS INTERNATIONAL, INC.

9201 INDEPENDENCE AVE
CHATSWORTH, CA 91311

**3b** Administrator's EIN
95-2985753

**3c** Administrator's telephone number
818-652-5577

**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

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 529 |
| **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** | 356 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 83 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 439 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 1 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 440 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 396 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 30 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**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

**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)** | X | 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)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**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)** | X | **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)** | X | **H** (Financial Information) |
| **(2)** | | **I** (Financial Information – Small Plan) |
| **(3)** | | **A** (Insurance Information) |
| **(4)** | X | **C** (Service Provider Information) |
| **(5)** | | **D** (DFE/Participating Plan Information) |
| **(6)** | | **G** (Financial Transaction Schedules) |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2011**<br>**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
HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HYDRAULICS INTERNATIONAL, INC.

**D** Employer Identification Number (EIN)
95-2985753

## 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).. . . . . [X] 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

ALLIANZ GLOBAL INVESTORS DISTRIBUTO
1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

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

AMERICAN FUNDS DISTRIBUTORS, INC.

95-2769620

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

BLACKROCK INVESTMENTS, INC.

23-2784752

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

FRANKLIN TEMPLETON DISTRIBUTORS, IN
100 FOUNTAIN PARKWAY
ST. PETERSBURG, FL 33716

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

FRED ALGER & COMPANY, INCORPORATED

13-2510833

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

INVESCO DISTRIBUTORS, INC.

74-1894784

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

JANUS DISTRIBUTORS, LLC

151 DETROIT STREET
DENVER, CO 80206

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

NUVEEN INVESTMENTS

333 W. WACKER DR
CHICAGO, IL 60606

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

OPPENHEIMER FUNDS INC.

13-2527171

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

PRUDENTIAL INVESTMENTS LLC

22-3468527

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

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

**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)

ADP

22-1467904

| (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? |
|---|---|---|---|---|---|---|
| 37 50 15 64 21 49 99 | RECORD KEEPER | 2215 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

INDEPENDENT FINANCIAL PARTNERS

59-3331424

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 21 49 50 64 99 | INVESTMENT\FINANCIAL ADVI | 14468 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

ADP BROKER-DEALER

22-3319984

| (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? |
|---|---|---|---|---|---|---|
| 60 59 49 99 63 61 | RECORD KEEPER | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 7156 | Yes [X] 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)

DWS INVESTMENTS DISTRIBUTOR, INC.

36-3976708

| (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? |
|---|---|---|---|---|---|---|
| 63 | INVESTMENT MANAGER | 0 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] 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 |
|---|---|---|
| ADP BROKER-DEALER | 63 61 | 7156 |

| **(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. |
|---|---|
| DWS SCUDDER 222 SOUTH RIVERSIDE PLAZA CHICAGO, IL 60606 | DISTRIBUTION (12B-1) FEES FINDERS FEES/PLACEMENT FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 99 | 0 |

| **(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. |
|---|---|
| ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105 | ANNUAL RATE 0.00200 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00050 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 60 59 99 | 0 |

| **(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. |
|---|---|
| AMERICAN FUNDS DISTRIBUTORS, INC.<br><br>95-2769620 | ANNUAL RATE 0.00100 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00100 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| AMERICAN FUNDS DISTRIBUTORS, INC.<br><br>95-2769620 | ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| BLACKROCK INVESTMENTS, INC.<br><br>23-2784752 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| BLACKROCK INVESTMENTS, INC.<br><br>23-2784752 | ANNUAL RATE 0.00050 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00050 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC.<br><br>36-3976708 | ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC.<br><br>36-3976708 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| FRANKLIN TEMPLETON DISTRIBUTORS, IN 100 FOUNTAIN PARKWAY ST. PETERSBURG, FL 33716 | ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| FRANKLIN TEMPLETON DISTRIBUTORS, IN 100 FOUNTAIN PARKWAY ST. PETERSBURG, FL 33716 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| FRED ALGER & COMPANY, INCORPORATED<br><br>13-2510833 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| INVESCO DISTRIBUTORS, INC.<br><br>74-1894784 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| INVESCO DISTRIBUTORS, INC.<br><br>74-1894784 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| JANUS DISTRIBUTORS, LLC 151 DETROIT STREET DENVER, CO 80206 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| JANUS DISTRIBUTORS, LLC<br>151 DETROIT STREET<br>DENVER, CO 80206 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| NUVEEN INVESTMENTS<br>333 W. WACKER DR<br>CHICAGO, IL 60606 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| NUVEEN INVESTMENTS<br>333 W. WACKER DR<br>CHICAGO, IL 60606 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| OPPENHEIMER FUNDS INC.<br><br>13-2527171 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| OPPENHEIMER FUNDS INC.<br><br>13-2527171 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(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. |
|---|---|
| PRUDENTIAL INVESTMENTS LLC<br><br>22-3468527 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC. | 63 | 0 |

| **(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. |
|---|---|
| PRUDENTIAL INVESTMENTS LLC<br><br>22-3468527 | ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(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 |
|---|---|---|
| | | |

| **(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 |
|---|---|---|
| | | |

## 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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

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

**A** Name of plan
HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HYDRAULICS INTERNATIONAL, INC.

**D** Employer Identification Number (EIN)
95-2985753

## 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 | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 150000 | 74832 |
| **(2)** Participant contributions | 1b(2) | | 16896 |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 1636076 | 54443 |
| **(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) | 69892 | 72524 |
| **(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) | 312068 | 304846 |
| **(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) | 4234845 | 6170582 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(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 | 6402881 | 6694123 |
| **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 through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 6402881 | 6694123 |

## 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) | 277342 | |
| **(B)** Participants | 2a(1)(B) | 498515 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 18555 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 794412 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 4 | |
| **(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) | 13068 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 13072 |
| **(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) | 96756 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 96756 |
| **(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) | 3024 | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | -3024 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| 2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | 2998 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 2998 |
| (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) | | -269381 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 634833 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 329579 | |
| (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) | | 329579 |
| f Corrective distributions (see instructions) | 2f | | 5622 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 5967 |
| 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) | 2423 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 2423 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 343591 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 291242 |
| 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) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: ROSCHKE &WALL, CPAS (2) EIN: 95-4192266

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.) | **4a** | | 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.) | **4b** | | 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.) | **4c** | | 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.) | **4d** | | X | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | X | | 50000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | 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? | **4g** | | 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? | **4h** | | 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.) | **4i** | 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.) | **4j** | | 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? | **4k** | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | **4n** | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

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

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
HYDRAULICS INTERNATIONAL, INC.

**D** Employer Identification Number (EIN)
95-2985753

## 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** 0

**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): 57-1198022

**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 of 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):

# HYDRAULICS INTERNATIONAL, INC.
# 401(k) PROFIT SHARING PLAN AND TRUST

## FINANCIAL STATEMENTS

**For the years ended**
**December 31, 2011 and 2010**

HYDRAULICS INTERNATIONAL, INC.
401(k) PROFIT SHARING PLAN AND TRUST

FINANCIAL STATEMENTS
For the years ended December 31, 2011 and 2010

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Roschke & Wall
*Business Advisors and CPAs, Inc.*

## INDEPENDENT AUDITORS' REPORT

To the Trustees of the
Hydraulics International, Inc.
401(k) Profit Sharing Plan and Trust
Chatsworth, California

We were engaged to audit the accompanying Statements of Net Assets Available for Benefits of Hydraulics International, Inc. 401(k) Profit Sharing Plan and Trust 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 as of and for the year ended December 31, 2011 as listed in the accompanying index. These financial statements and 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 6, which was certified by DWS Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, 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.

ROSCHKE & WALL, BUSINESS ADVISORS AND CPAs, INC.

Roschke + Wall

Calabasas, California
October 10, 2012

HYDRAULICS INTERNATIONAL, INC.
401(k) PROFIT SHARING PLAN AND TRUST

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| ASSETS | | |
| Investments, at fair value (Notes 2 & 3) | | |
| Value of interest in registered investment companies (Note 4) | $ 6,297,550 | $ 5,940,813 |
| Receivables: | | |
| Employer contributions receivable | 74,832 | 150,000 |
| Employee contributions receivable | 16,896 | - |
| Notes receivable from participants | 313,272 | 314,511 |
| Total Receivables | 405,000 | 464,511 |
| TOTAL ASSETS | 6,702,550 | 6,405,324 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 6,702,550 | $ 6,405,324 |

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

**HYDRAULICS INTERNATIONAL, INC.**
**401(k) PROFIT SHARING PLAN AND TRUST**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**For the year ended December 31, 2011**

| | | December 31, 2011 |
|---|---|---|
| Additions to net assets attributed to: | | |
| Net depreciation in fair value of investments (Note 4) | $ | (269,407) |
| Investment income, interest & dividends | | 109,829 |
| Contributions, employee | | 498,515 |
| Contributions, rollovers | | 18,555 |
| Contributions, employer | | 277,342 |
| Total additions | | 634,834 |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | | 329,579 |
| Corrective distributions | | 5,621 |
| Administrative expenses | | 2,408 |
| Total deductions | | 337,608 |
| Net increase in net assets available for benefits | | 297,226 |
| Net assets available for benefits: | | |
| Beginning of year | | 6,405,324 |
| **END OF YEAR** | $ | 6,702,550 |

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

## NOTE 1: DESCRIPTION OF PLAN

The following description of the Hydraulics International, Inc. 401(k) Profit Sharing Plan and Trust provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The employees of Flowmetrics, Inc. and The Fitting Source, Inc., companies related through common ownership, are covered in this Plan as well.

### General

The Plan is a defined contribution plan covering all employees who have completed three consecutive months of service and has worked at least 83.3 hours of service in each such month. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On January 1, 2011, the Companies amended the Plan to a "safe harbor 401(k) plan." A safe harbor 401(k) plan is a plan design where the Employer commits to making certain contributions. This commitment enables the Employer to simplify the administration of the Plan by ensuring that nondiscrimination regulations are met. The amendment affects benefits and net assets by the difference between the required safe harbor match and the discretionary profit sharing contribution determined each year by management.

### Contributions

Each year, participants may contribute up to 100% of compensation, not to exceed the dollar limit set by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Companies contribute 100% of the first 3% of base compensation. The matching Company contribution is allocated to the various investment options as directed by the participants. Contributions are subject to certain limitations. In addition, the Companies may contribute an additional discretionary amount.

### Participant Accounts

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

### Vesting

Participants are immediately vested in all salary deferral contributions plus actual earnings thereon. The Company's safe harbor matching contribution is immediately vested as required by law. For additional employer discretionary contributions, participants vest over six years at 20% per year after two years of service.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a maximum equal to the lesser of $ 50,000 or 50% of their vested account balance. Loan terms range from 1-5 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates, currently from 4.25% to 9.25%. Principal and interest is paid ratably through monthly payroll deductions.

## NOTE 1: DESCRIPTION OF PLAN (Continued)

**Payment of Benefits**
On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a ten year period. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

**Forfeited Accounts**
At December 31, 2011 and 2010 forfeited non-vested accounts totaled $91,952 and $52,675, respectively. Forfeitures are allocated first to be used to pay administrative expenses. Any remaining forfeitures attributable to non-elective contributions will be allocated as an additional discretionary contribution.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**
The accompanying financial statements of the Plan are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

**Investment Valuation and Income Recognition**
The Plan's investments are stated 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 3 for discussion of fair value measurements.

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

**Notes Receivable from Participants**
Loans to participants are reported at their unpaid principal balances 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.

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

**Risks and Uncertainties**
The Plan provides various funds that hold investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of 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.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Risks and Uncertainties (Continued)**
The Company's employees are located in the Los Angeles area and as of December 31, 2011 the aggregate carrying value of notes receivable from participants was $313,272, which represents the maximum loss the plan may incur if all such receivables become uncollectible.

## NOTE 3: FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount 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.

FASB ASC 820 provides the framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable market-based inputs or unobservable inputs that are corroborated by market data, and Level 3 inputs are unobservable and have the lowest priority. The plan uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

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

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **December 31, 2011** | | | | |
| Money Funds | $ 54,443 | $ 54,443 | $ - | $ - |
| Mutual Funds | 6,170,583 | 6,170,583 | - | - |
| Common Stock | 72,524 | 72,524 | - | - |
| Total | $ 6,297,550 | $ 6,297,550 | $ - | $ - |
| **December 31, 2010** | | | | |
| Money Funds | $ 53,978 | $ 53,978 | $ - | $ - |
| Mutual Funds | 5,816,943 | 5,816,943 | | |
| Common Stock | 69,892 | 69,892 | | - |
| Total | $ 5,940,813 | $ 5,940,813 | $ | $ - |

The Plan's investments that are measured at fair value on a recurring basis, such as money funds, mutual funds and common stock are generally classified within Level 1 of the fair value hierarchy. The fair values of these investments are based on quoted market prices in active markets.

## NOTE 4: INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets and was obtained from data that has been prepared and certified to as complete and accurate by the trustee:

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| American Funds World Growth and Income | $ 476,242 | $ 498,361 |
| DWS Cash Investment Trust | 2,177,059 | 1,574,968 |
| Jennison Mid-Cap Growth Fund | 346,695 | 395,652 |
| DWS Lifecompass 2030 | 397,352 | 387,746 |
| Pimco Total Return Fund | 392,233 | 422,689 |
| American Funds Growth Fund | 767,021 | 724,912 |
| DWS Lifecompass 2015 | 655,946 | 719,534 |

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $269,407.

| | |
|---|---|
| Mutual Funds | $ (271,331) |
| Common Stock | 1,924 |
| Net depreciation in fair value of investments | $ (269,407) |

## NOTE 5: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500, SCHEDULE H

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

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 6,702,550 | $ 6,405,324 |
| Form 5500, Schedule H, Line 2G Certain deemed distributions | (5,967) | (2,443) |
| Certain deemed distributions not reported as an asset on Form 5500 and not meeting criteria for Schedule H, Line 2G | (2,460) | 0 |
| Net assets available for benefits per Schedule H to the Form 5500 | $ 6,694,123 | $ 6,402,881 |

The following is a reconciliation of net increase in net assets available for benefits per the financial statements for the year ended December 31, 2011 to Schedule H of Form 5500:

| | |
|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 297,226 |
| Less: prior period adjustment | (17) |
| Less: deemed distributions | (5,967) |
| Net increase in net assets available for benefits per the Form 5500 | $ 291,242 |

## NOTE 6: INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee:

| | December 31, | |
|---|---|---|
| | 2011 | 2010 |
| Investments at fair value: | | |
| Mutual funds | $ 6,131,078 | $ 5,775,440 |
| Dividend income | 95,585 | 81,694 |

## NOTE 7: PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan terminating, participants would become 100% vested in their employer contributions.

## NOTE 8: INCOME TAX STATUS

The retirement plan of the Company was adopted using the Automatic Data Processing, Inc. (ADP) Prototype Plan. The ADP Prototype Plan has received a favorable opinion letter from the Internal Revenue Service; therefore, the Company is not required to request a determination letter. The Plan administrator believes that this Plan is designed and is currently operating in compliance with the applicable requirements of the Internal Revenue Service.

U.S. GAAP require plan management to evaluate tax positions taken by the Plan and recognize tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon the examination by the Internal Revenue Service. 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.

## NOTE 9: SUBSEQUENT EVENT

The Company has evaluated subsequent events through October 10, 2012, the date the financial statements were available to be issued. Based on this evaluation, the Company has determined that no subsequent events have occurred which require disclosure to the financial statements.

## NOTE 10: FINANCIAL STATEMENT PRESENTATION

The money funds of $1,582,098 in the 2010 financial statements' Note 3 have been reclassified to conform to the 2011 presentation.

**HYDRAULICS INTERNATIONAL, INC.**
**Employer I.D. 95-2985753**

**401(k) PROFIT SHARING PLAN AND TRUST**
**Plan Number (PN) 001**

**FORM 5500, SCHEDULE H, PART IV, LINE 4i,**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**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 |
|---|---|---|---|---|
| | DWS MMPS - Cash Invest Trust | Registered Investment Company | | $ 2,177,059 |
| | DWS Lifecompass 2040 | Registered Investment Company | | 236,975 |
| | Oppenheimer Developing Markets | Registered Investment Company | | 70,318 |
| | AM Fnd Cap World Gr and Inc | Registered Investment Company | | 476,242 |
| | DWS S&P 500 Index Fund | Registered Investment Company | | 16,441 |
| | Nuveen Real Estate Securities | Registered Investment Company | | 16,218 |
| | Invesco Mid Cap Core Equity | Registered Investment Company | | 8,707 |
| | Blackrock International Index | Registered Investment Company | | 73,696 |
| | Jennison Mid-Cap Growth | Registered Investment Company | | 346,695 |
| | Invvk Small Cap Value | Registered Investment Company | | 10,502 |
| | DWS Lifecompass 2030 | Registered Investment Company | | 397,352 |
| | DWS Lifecompass 2020 | Registered Investment Company | | 76,659 |
| | Pimco Total Return Fund | Registered Investment Company | | 392,233 |
| | AM Fnd The Growth Fnd of Am | Registered Investment Company | | 767,021 |
| | Invvk Small Cap Growth | Registered Investment Company | | 234,816 |
| | DWS Large Cap Value Fund | Registered Investment Company | | 132,492 |
| | Blackrock Sm Cap Index Fd | Registered Investment Company | | 6,190 |
| | Franklin High Income | Registered Investment Company | | 19,515 |
| | DWS Lifecompass 2015 | Registered Investment Company | | 655,946 |
| | Pru Short-term Corp Bond | Registered Investment Company | | 4,503 |
| | Perkins Mid Cap Value Fd | Registered Investment Company | | 11,499 |
| | Western Asset Money Market Fund | Registered Investment Company | | 7,080 |
| | Citibank NA Bank Deposit Program | Interest-Bearing Cash | | 54,443 |
| | Davis New York Venture Fund | Registered Investment Company | | 32,424 |
| | Amgen | 500 shs Common Stock | | 32,105 |
| | Cisco Systems, Inc. | 1,000 shs Common Stock | | 18,080 |
| | General Electric Co. | 1,247.3066 shs Common Stock | | 22,339 |
| | | | | $ 6,297,550 |

Notes:
Column (a) is blank as there were no parties-in-interest.
Column (d) is blank as all investments are participant directed.

**See independent auditors' report**

HYDRAULICS INTERNATIONAL, INC.
Employer I.D. 95-2985753

401(k) PROFIT SHARING PLAN AND TRUST
Plan Number (PN) 001

SCHEDULE H, PART IV, ITEM i
SCHEDULE OF ASSETS
(ACQUIRED AND DISPOSED OF WITHIN YEAR)
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 |
|---|---|---|---|---|

*In accordance with specific instructions, acquisitions and dispositions of certain types of assets need not be reported. These include funds of common/collective trusts and registered investment companies.*

See independent auditors' report

Schedule C, Line 2(h) Formula Description

*For those service providers listed on Line 2 for which Line 2(h) has been checked "yes":*

For a description of indirect compensation received by service providers listed on Line 2 that was disclosed as a formula, please see Line 3(e). Please note: If indirect compensation disclosed as a formula was received by a service provider from more than one source, there will be multiple Lines 3(e) for that service provider.

## Attachment to 2011 Form 5500
## Schedule H, line 4i - Schedule of Assets (Held at End of Year)

**Plan Name** HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN **EIN:** 95-2985753

**Plan Sponsor's Name** HYDRAULICS INTERNATIONAL, INC. **PN:** 001

| (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 |
|---|---|---|---|---|
| | DWS LIFECOMPASS 2040 - A | REGISTERED INVESTMENT COMPANY | | 236,975 |
| | OPPENHEIMER DEVELOP MARKETS-A | REGISTERED INVESTMENT COMPANY | | 70,318 |
| | AM FND CAP WORLD GR AND INC-R3 | REGISTERED INVESTMENT COMPANY | | 476,242 |
| | DWS S&P 500 INDEX FUND-A | REGISTERED INVESTMENT COMPANY | | 16,441 |
| | NUVEEN REAL EST SECURITIES A | REGISTERED INVESTMENT COMPANY | | 16,218 |
| | INVESCO MID CAP CORE EQUITY A | REGISTERED INVESTMENT COMPANY | | 8,707 |
| | BLACKROCK INTERNL INDEX - A | REGISTERED INVESTMENT COMPANY | | 73,696 |

## Attachment to 2011 Form 5500
## Schedule H, line 4i - Schedule of Assets (Held at End of Year)

**Plan Name** HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN **EIN:** 95-2985753
**Plan Sponsor's Name** HYDRAULICS INTERNATIONAL, INC. **PN:** 001

| (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 |
|---|---|---|---|---|
| | DWS MMPS-CASH INVEST TRUST - A | REGISTERED INVESTMENT COMPANY | | 2,177,059 |
| | JENNISON MID-CAP GROWTH - A | REGISTERED INVESTMENT COMPANY | | 346,695 |
| | INVVK SMALL CAP VALUE A | REGISTERED INVESTMENT COMPANY | | 10,502 |
| | DWS LIFECOMPASS 2030 FUND - A | REGISTERED INVESTMENT COMPANY | | 397,352 |
| | DWS LIFECOMPASS 2020 FUND - A | REGISTERED INVESTMENT COMPANY | | 76,659 |
| | PIMCO TOTAL RETURN FUND - A | REGISTERED INVESTMENT COMPANY | | 392,233 |
| | AM FND THE GROWTH FND OF AM-R3 | REGISTERED INVESTMENT COMPANY | | 767,021 |

## Attachment to 2011 Form 5500
## Schedule H, line 4i - Schedule of Assets (Held at End of Year)

**Plan Name** HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN **EIN:** 95-2985753
**Plan Sponsor's Name** HYDRAULICS INTERNATIONAL, INC. **PN:** 001

| (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 |
|---|---|---|---|---|
| | INVVK SMALL CAP GROWTH A | REGISTERED INVESTMENT COMPANY | | 234,816 |
| | DWS LARGE CAP VALUE FUND-A | REGISTERED INVESTMENT COMPANY | | 132,492 |
| | BLACKROCK SM CAP INDEX FD - A | REGISTERED INVESTMENT COMPANY | | 6,190 |
| | FRANKLIN HIGH INCOME - R | REGISTERED INVESTMENT COMPANY | | 19,515 |
| | DWS LIFECOMPASS 2015 FUND - A | REGISTERED INVESTMENT COMPANY | | 655,946 |
| | PRU SHORT-TERM CORP BOND - R | REGISTERED INVESTMENT COMPANY | | 4,503 |
| | PERKINS MID CAP VALUE FD - S | REGISTERED INVESTMENT COMPANY | | 11,499 |

## Attachment to 2011 Form 5500
## Schedule H, line 4i - Schedule of Assets (Held at End of Year)

**Plan Name** HYDRAULICS INTERNATIONAL, INC. 401(K) PROFIT SHARING PLAN **EIN:** 95-2985753
**Plan Sponsor's Name** HYDRAULICS INTERNATIONAL, INC. **PN:** 001

| (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 |
|---|---|---|---|---|
| | PARTICIPANT LOANS | INTEREST RATES ( 4.25% TO 9.25%) | | 304,846 |
| | WESTERN ASSET MON MKT FD CL A | REGISTERED INVESTMENT COMPANY | | 7,080 |
| | CITIBANK NA BANK DEPOSIT PGM | INTEREST BEARING ACCOUNT (.01%) | | 54,443 |
| | AMGEN INC | 500 SHS COMMON STOCK | | 32,105 |
| | CISCO SYS INC | 1,000 SHS COMMON STOCK | | 18,080 |
| | GENERAL ELECTRIC CO | 1,247,3066 SHS<br>COMMON STOCK | | 22,339 |
| | DAVIS NY VENTURE FUND | REGISTERED INVESTMENT COMPANY | | 32,424 |