

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>CTS INTERNATIONAL, INC. 401(K) SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/01/1992</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/01/1992</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/01/1992</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>CTS TECHNICAL SERVICES, INC.</u> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <u>11100 N.E. 8TH ST.</u> <u>SUITE 800</u> <u>BELLEVUE, WA 98004</u> </div> <div style="width: 45%;"> <u>11100 N.E. 8TH ST.</u> <u>SUITE 800</u> <u>BELLEVUE, WA 98004</u> </div> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-3311948</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>425-451-0051</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>561300</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>13-3311948</u>	2c Sponsor's telephone number <u>425-451-0051</u>	2d Business code (see instructions) <u>561300</u>	
2b Employer Identification Number (EIN) <u>13-3311948</u>					
2c Sponsor's telephone number <u>425-451-0051</u>					
2d Business code (see instructions) <u>561300</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	Filed with authorized/valid electronic signature.	10/09/2013	MOLLY FLOMER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2013	MOLLY FLOMER
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address CTS TECHNICAL SERVICES, INC. 11100 N.E. 8TH ST. SUITE 800 BELLEVUE, WA 98004		3b Administrator's EIN 13-3311948 3c Administrator's telephone number 425-451-0051
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		5 805
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	566
b Retired or separated participants receiving benefits.....	6b	8
c Other retired or separated participants entitled to future benefits.....	6c	144
d Subtotal. Add lines 6a , 6b , and 6c	6d	718
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	718
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	260
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
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 Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> 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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>CTS INTERNATIONAL, INC. 401(K) SAVINGS 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>CTS TECHNICAL SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3311948</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FID.INV.INST.OPS.CO.

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	27320	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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

FINANCIAL ADVOCATES

27-0435466

(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?
27 70	CONSULTANT	16640	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
AF GROWTH OF AMER R5 - AMERICAN FUN 95-2566717		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
0.05%		
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
ALZGI NFJ DIV VL ADM - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
0.35%		
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
BARON SMALL CAP - DST SYSTEMS, INC. 43-1581814		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
0.40%		

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
COL SM CAP VAL II Z - COLUMBIA MGT P.O. BOX 8081 BOSTON, MA 02266-8081	0.40%	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
COL/ACORN INTL Z - COLUMBIA MGT INV P.O. BOX 8081 BOSTON, MA 02266-8081	0.40%	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
MSIF MID CAP GRTH P - MORGAN STANLE 13-3799749	0.40%	

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.
PIM ALL A ALL AUTH I - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.02%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.
PIMCO REAL RTN BD AD - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.27%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.
PIMCO TOT RETURN ADM - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.27%	

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: STEVEN A. FINLEY, CPA	b EIN: 26-2043885
c Position: ACCOUNTANT	
d Address: 11911 NE 1ST ST 301 BELLEVUE, WA 98005	e Telephone: 253-952-2992

Explanation: AUDITOR CHANGED HIS FIRM NAME AND EIN SINCE HE FORMED A PLLC

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 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan <u>CTS INTERNATIONAL, INC. 401(K) SAVINGS 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>CTS TECHNICAL SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3311948</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	4568623	3550433
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	137462	172646
(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)	11447743	13519373
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	16153828	17242452

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16153828	17242452
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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)		
(B) Participants	2a(1)(B)	2151354	
(C) Others (including rollovers)	2a(1)(C)	45942	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2197296
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	388	
(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)	10574	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10962
(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)	476601	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		476601
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(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)		1109261
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3794120

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2657302	
(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)		2657302
f Corrective distributions (see instructions)	2f		3910
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	44284	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		44284
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2705496

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1088624
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: STEVEN A. FINLEY CPA PLLC

(2) EIN: 46-1677380

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

5b(1) Name of plan(s)

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

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2012</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan CTS INTERNATIONAL, INC. 401(K) SAVINGS PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CTS TECHNICAL SERVICES, INC.		D Employer Identification Number (EIN) 13-3311948
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): 04-6568107		
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)?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> 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.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? <input type="checkbox"/> Yes <input type="checkbox"/> No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2012 v. 120126		

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
December 31, 2012 and 2011
(With Independent Auditor's Report)

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN**

DECEMBER 31, 2012 and 2011

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Independent Auditor's Report

To The Trustees
CTS International, Inc. 401(k) Savings Plan

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of CTS International, Inc. 401(k) Savings Plan, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. I 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 December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

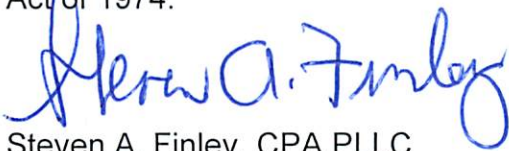
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on this financial statement.

Other Matter

The supplemental schedule of Assets Held for Investment Purposes as of or for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my 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.



Steven A. Finley, CPA PLLC
Milton, Washington
September 27, 2013

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

	December 31, <u>2012</u>	<u>2011</u>
Assets		
Investments, at fair value:		
Shares of registered investment companies (Note 3)	\$ 17,069,806	\$ 16,016,366
Participant loans	172,646	137,462
	<u>17,242,452</u>	<u>16,153,828</u>
Liabilities	<u>--</u>	<u>--</u>
Net assets available for benifits	\$ <u>17,242,452</u>	\$ <u>16,153,828</u>

See accompanying notes to financial statements

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012**

Additions to net assets attributed to:

Investment income:

Net appreciation in the fair value of investments
(Note 3)

\$ 1,109,261

Interest

10,962

Dividends

476,601

1,596,824

Cash contributions:

Employee

2,151,354

Rollover

45,942

\$ 2,197,296

Total additions

3,794,120

Deductions from net assets attributed to:

Benefits paid to participants

2,657,302

Corrective distributions

3,910

Administration expenses

44,284

Total deductions

2,705,496

Net increase in net assets available for
benefits

1,088,624

Net assets available for benefits at beginning of year

16,153,828

Net assets available for benefits at end of year

\$ 17,242,452

See accompanying notes to financial statements.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 1 - Description of Plan

The following description of the CTS International, Inc. 401(k) Savings Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The CTS International, Inc. 401(k) Savings Plan (Plan) is a defined contribution plan sponsored by CTS Technical Services, Inc. (Sponsor) for employees who become eligible the day following the date of hire. Eligible employees may enroll in the Plan each day of the plan year.

(b) Contributions

Participants may elect to contribute up to 50% of their compensation, as defined by the Plan.

Effective August 1, 1999, the employer provided a discretionary match for all office and certain contract employees. There was no match for 2012 or 2011.

(c) Participants' Accounts

Each participant's account is credited with the participant's contributions, and an allocation of earnings of the Plan. Allocations of Plan earnings are based on participants' account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participants' account.

Participants direct the investment of their elective deferrals by selecting from alternative investment funds offered by the trustee.

(d) Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Participants are vested in the employer match at a rate of 20 percent after one year with full vesting after five years of service. All employer contributions vest upon death, normal retirement or permanent disability.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 1 - Description of Plan (Continued)

(e) Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Notes fund. Loan terms range from 1-5 years or longer for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate. Interest rates currently are 6.0 percent. Principal and interest is paid ratably through payroll deductions.

(f) Payment of Plan Benefits

Payments of Plan benefits are made in a single lump sum either direct to the participant or to another qualified plan based upon elections made by the participant. In service withdrawals are allowed to participants who have attained age 59½. Amounts due to separated participants at December 31, 2012 and 2011 totaled \$10,504,469 and \$7,313,506 respectively.

(g) Plan Expenses

The Plan pays for charges by the third-party administrator. All other expenses are paid for by the Sponsor.

(h) Forfeitures

Forfeitures may only be used to reduce the employer's contribution to the Plan. There were no unallocated forfeitures at December 31, 2012 and 2011.

Note 2 - Summary of Significant Accounting Policies

(a) Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and the changes in net assets available for benefits.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

(b) The trustees of the Plan are responsible for investing, managing and controlling the Plan's assets.

(c) Investments

All Plan investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Participant notes are valued at cost which approximates fair value. Net appreciation or depreciation of investments includes both realized and unrealized gains and losses.

(d) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Accordingly, actual results may differ from those estimates.

Note 3 - Information Certified by Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR2520.103-8 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 has obtained certification from Fidelity Management Trust Company that such information is complete and accurate.

1. Amounts included as investments in the statement of net assets available for benefits at December 31, 2012 and 2011 and on the schedule of assets held for investment purposes.
2. Net change in fair value of investment amounts included in the statement of changes in net assets available for benefits for the year ended December 31, 2012.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 4 - Investments

The following table presents the fair value of investments as of December 31:

	<u>2012</u>	<u>2011</u>
Money Market Funds	\$ 3,550,433	\$ 4,568,623
PIMCO Real Return Bond Fund	1,590,794	606,631
PIMCO Total Return Fund	608,589	500,084
PIMCO All Asset All Authority Fund	56,032	---
Neuberger Berman Genesis Trust	1,929,245	2,037,194
Columbia Acorn International Fund	1,363,178	1,248,359
Columbia Small Cap Value II Fund	439,669	414,268
Allianz NFJ Dividend Value Fund	411,029	285,190
Marshall Mid Cap Growth Fund	1,194,269	1,036,459
Baron Small Cap Fund	134,186	160,257
Growth Fund of America	---	284,323
Fidelity Fidelity Fund	587,797	707,102
Fidelity Capital & Income Fund	330,585	285,485
Fidelity Value Fund	73,874	44,237
Fidelity Leveraged Company Stock Fund	---	374,820
Fidelity Balanced Fund	368,449	267,033
Fidelity International Discovery Fund	74,971	55,118
Fidelity Emerging Markets Fund	148,031	119,860
Fidelity Growth Discovery Fund	429,313	22,616
Fidelity Spartan Extended Market Index Fund	1,002,103	765,394
Fidelity Spartan International Index Fund	50,808	35,847
Fidelity Intermediate Government Income Fund	301,784	339,041
Fidelity Spartan 500 Index Fund	1,129,021	958,164
Fidelity Freedom Income Fund	77,570	53,784
Fidelity Freedom 2000 Fund	44,813	47,798
Fidelity Freedom 2005 Fund	7,442	---
Fidelity Freedom 2010 Fund	97,675	76,106
Fidelity Freedom 2015 Fund	62,512	15,884
Fidelity Freedom 2020 Fund	219,883	89,731
Fidelity Freedom 2025 Fund	138,342	147,640
Fidelity Freedom 2030 Fund	260,862	193,914
Fidelity Freedom 2035 Fund	116,517	144,426

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 4 - Investments (Continued)

Fidelity Freedom 2040 Fund	114,506	56,517
Fidelity Freedom 2045 Fund	83,605	49,358
Fidelity Freedom 2050 Fund	62,754	25,103
Fidelity Freedom 2055 Fund	<u>9,165</u>	<u>---</u>
	<u>\$ 17,069,806</u>	<u>\$ 16,016,366</u>

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability; and

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.

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011**

Note 4 - Investments (Continued)

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

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, 2012 and 2011.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year-end.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future 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 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, 2012 and 2011:

**Assets at Fair Value as of
December 31, 2012**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 17,069,806	\$ ---	---	\$ 17,069,806
	<u>\$ 17,069,806</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 17,069,806</u>

**Assets at Fair Value as of
December 31, 2011**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 16,016,366	\$ ---	---	\$ 16,016,366
	<u>\$ 16,016,366</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 16,016,366</u>

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 5 - Tax Status

The Internal Revenue Service has issued a determination letter stating that the Plan qualifies under section 401(a) of the Internal Revenue Code and is, therefore, not subject to tax under income tax laws.

Note 6 - Plan Termination

Although it has not expressed an intent to do so, the Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Note 7 - Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, market and credit risk. 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 reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

Note 8 - Subsequent Events

Management has evaluated subsequent events through September 27, 2013 the date on which the financial statements were available for issue. There were no significant events occurring subsequent to the date of the financial statements.

SUPPLEMENTAL SCHEDULE

CTS INTERNATIONAL, INC. 401(k) SAVINGS PLAN
13-3311948, PLAN NO. 001
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2012

a)	(b) Identity of Issue or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
	PIMCO Funds	Real Return Bond Fund	\$ *	\$ 1,590,794
		Total Return Fund	*	608,589
		All Asset All Authority Fund	*	56,032
	Columbia Funds	Acorn International Fund	*	1,363,178
		Small Cap Value II Fund	*	439,669
	Allianz Funds	NFJ Dividend Value Fund	*	411,029
	Baron Funds	Small Cap Fund	*	134,186
	Marshall Funds	Mid Cap Growth Fund	*	1,194,269
	Neuberger Berman Funds	Genesis Trust Fund	*	1,929,245
	Fidelity Funds	Money Market Funds	*	3,550,433
		Fidelity Fund	*	587,797
		Capital & Income Fund	*	330,585
		Value Fund	*	73,874
		Balanced Fund	*	368,449
		International Discovery Fund	*	74,971
		Emerging Markets Fund	*	148,031
		Growth Discovery Fund	*	429,313
		Spartan Extended Market Index Fund	*	1,002,103
		Spartan International Index Fund	*	50,808
		Intermediate Government Income Fund	*	301,784
		Spartan U.S. Equity Index Fund	*	1,129,021
		Freedom Income Fund	*	77,570
		Freedom 2000 Fund	*	44,813
		Freedom 2005 Fund	*	7,442
		Freedom 2010 Fund	*	97,675
		Freedom 2015 Fund	*	62,512
		Freedom 2020 Fund	*	219,883
		Freedom 2025 Fund	*	138,342
		Freedom 2030 Fund	*	260,862
		Freedom 2035 Fund	*	116,517
		Freedom 2040 Fund	*	114,506
		Freedom 2045 Fund	*	83,605
		Freedom 2050 Fund	*	62,784
		Freedom 2055 Fund	*	9,165
	Participant Loans	Notes with varying maturities, interest rates 6.0%	---	172,646

(1) Schedule of Assets held for investment purposes, as defined in Department of Labor's reporting regulations, consist of any investment asset held by the Plan on the last day of the Plan year.

* Cost information is not required as investments are participant directed

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
December 31, 2012 and 2011
(With Independent Auditor's Report)

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN**

DECEMBER 31, 2012 and 2011

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Independent Auditor's Report

To The Trustees
CTS International, Inc. 401(k) Savings Plan

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of CTS International, Inc. 401(k) Savings Plan, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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 me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. I 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 December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

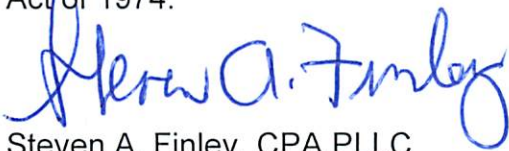
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on this financial statement.

Other Matter

The supplemental schedule of Assets Held for Investment Purposes as of or for the year ended December 31, 2012 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my 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.



Steven A. Finley, CPA PLLC
Milton, Washington
September 27, 2013

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

	December 31, <u>2012</u>	<u>2011</u>
Assets		
Investments, at fair value:		
Shares of registered investment companies (Note 3)	\$ 17,069,806	\$ 16,016,366
Participant loans	172,646	137,462
	<u>17,242,452</u>	<u>16,153,828</u>
Liabilities	<u>--</u>	<u>--</u>
Net assets available for benefits	<u>\$ 17,242,452</u>	<u>\$ 16,153,828</u>

See accompanying notes to financial statements

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012**

Additions to net assets attributed to:

Investment income:

Net appreciation in the fair value of investments
(Note 3)

\$ 1,109,261

Interest

10,962

Dividends

476,601

1,596,824

Cash contributions:

Employee

2,151,354

Rollover

45,942

\$ 2,197,296

Total additions

3,794,120

Deductions from net assets attributed to:

Benefits paid to participants

2,657,302

Corrective distributions

3,910

Administration expenses

44,284

Total deductions

2,705,496

Net increase in net assets available for
benefits

1,088,624

Net assets available for benefits at beginning of year

16,153,828

Net assets available for benefits at end of year

\$ 17,242,452

See accompanying notes to financial statements.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 1 - Description of Plan

The following description of the CTS International, Inc. 401(k) Savings Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The CTS International, Inc. 401(k) Savings Plan (Plan) is a defined contribution plan sponsored by CTS Technical Services, Inc. (Sponsor) for employees who become eligible the day following the date of hire. Eligible employees may enroll in the Plan each day of the plan year.

(b) Contributions

Participants may elect to contribute up to 50% of their compensation, as defined by the Plan.

Effective August 1, 1999, the employer provided a discretionary match for all office and certain contract employees. There was no match for 2012 or 2011.

(c) Participants' Accounts

Each participant's account is credited with the participant's contributions, and an allocation of earnings of the Plan. Allocations of Plan earnings are based on participants' account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participants' account.

Participants direct the investment of their elective deferrals by selecting from alternative investment funds offered by the trustee.

(d) Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Participants are vested in the employer match at a rate of 20 percent after one year with full vesting after five years of service. All employer contributions vest upon death, normal retirement or permanent disability.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 1 - Description of Plan (Continued)

(e) Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Notes fund. Loan terms range from 1-5 years or longer for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate. Interest rates currently are 6.0 percent. Principal and interest is paid ratably through payroll deductions.

(f) Payment of Plan Benefits

Payments of Plan benefits are made in a single lump sum either direct to the participant or to another qualified plan based upon elections made by the participant. In service withdrawals are allowed to participants who have attained age 59½. Amounts due to separated participants at December 31, 2012 and 2011 totaled \$10,504,469 and \$7,313,506 respectively.

(g) Plan Expenses

The Plan pays for charges by the third-party administrator. All other expenses are paid for by the Sponsor.

(h) Forfeitures

Forfeitures may only be used to reduce the employer's contribution to the Plan. There were no unallocated forfeitures at December 31, 2012 and 2011.

Note 2 - Summary of Significant Accounting Policies

(a) Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and the changes in net assets available for benefits.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 2 - Summary of Significant Accounting Policies (Continued)

(b) The trustees of the Plan are responsible for investing, managing and controlling the Plan's assets.

(c) Investments

All Plan investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Participant notes are valued at cost which approximates fair value. Net appreciation or depreciation of investments includes both realized and unrealized gains and losses.

(d) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Accordingly, actual results may differ from those estimates.

Note 3 - Information Certified by Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR2520.103-8 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 has obtained certification from Fidelity Management Trust Company that such information is complete and accurate.

1. Amounts included as investments in the statement of net assets available for benefits at December 31, 2012 and 2011 and on the schedule of assets held for investment purposes.
2. Net change in fair value of investment amounts included in the statement of changes in net assets available for benefits for the year ended December 31, 2012.

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 4 - Investments

The following table presents the fair value of investments as of December 31:

	<u>2012</u>	<u>2011</u>
Money Market Funds	\$ 3,550,433	\$ 4,568,623
PIMCO Real Return Bond Fund	1,590,794	606,631
PIMCO Total Return Fund	608,589	500,084
PIMCO All Asset All Authority Fund	56,032	---
Neuberger Berman Genesis Trust	1,929,245	2,037,194
Columbia Acorn International Fund	1,363,178	1,248,359
Columbia Small Cap Value II Fund	439,669	414,268
Allianz NFJ Dividend Value Fund	411,029	285,190
Marshall Mid Cap Growth Fund	1,194,269	1,036,459
Baron Small Cap Fund	134,186	160,257
Growth Fund of America	---	284,323
Fidelity Fidelity Fund	587,797	707,102
Fidelity Capital & Income Fund	330,585	285,485
Fidelity Value Fund	73,874	44,237
Fidelity Leveraged Company Stock Fund	---	374,820
Fidelity Balanced Fund	368,449	267,033
Fidelity International Discovery Fund	74,971	55,118
Fidelity Emerging Markets Fund	148,031	119,860
Fidelity Growth Discovery Fund	429,313	22,616
Fidelity Spartan Extended Market Index Fund	1,002,103	765,394
Fidelity Spartan International Index Fund	50,808	35,847
Fidelity Intermediate Government Income Fund	301,784	339,041
Fidelity Spartan 500 Index Fund	1,129,021	958,164
Fidelity Freedom Income Fund	77,570	53,784
Fidelity Freedom 2000 Fund	44,813	47,798
Fidelity Freedom 2005 Fund	7,442	---
Fidelity Freedom 2010 Fund	97,675	76,106
Fidelity Freedom 2015 Fund	62,512	15,884
Fidelity Freedom 2020 Fund	219,883	89,731
Fidelity Freedom 2025 Fund	138,342	147,640
Fidelity Freedom 2030 Fund	260,862	193,914
Fidelity Freedom 2035 Fund	116,517	144,426

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 4 - Investments (Continued)

Fidelity Freedom 2040 Fund	114,506	56,517
Fidelity Freedom 2045 Fund	83,605	49,358
Fidelity Freedom 2050 Fund	62,754	25,103
Fidelity Freedom 2055 Fund	<u>9,165</u>	<u>---</u>
	<u>\$ 17,069,806</u>	<u>\$ 16,016,366</u>

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability; and

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.

**CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011**

Note 4 - Investments (Continued)

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

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, 2012 and 2011.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year-end.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future 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 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, 2012 and 2011:

**Assets at Fair Value as of
December 31, 2012**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 17,069,806	\$ ---	---	\$ 17,069,806
	<u>\$ 17,069,806</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 17,069,806</u>

**Assets at Fair Value as of
December 31, 2011**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 16,016,366	\$ ---	---	\$ 16,016,366
	<u>\$ 16,016,366</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 16,016,366</u>

CTS INTERNATIONAL, INC.
401(k) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 and 2011

Note 5 - Tax Status

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Although it has not expressed an intent to do so, the Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Note 7 - Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, market and credit risk. 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 reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits.

Note 8 - Subsequent Events

Management has evaluated subsequent events through September 27, 2013 the date on which the financial statements were available for issue. There were no significant events occurring subsequent to the date of the financial statements.

SUPPLEMENTAL SCHEDULE

CTS INTERNATIONAL, INC. 401(k) SAVINGS PLAN
13-3311948, PLAN NO. 001
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2012

a)	(b) Identity of Issue or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
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		All Asset All Authority Fund	*	56,032
	Columbia Funds	Acorn International Fund	*	1,363,178
		Small Cap Value II Fund	*	439,669
	Allianz Funds	NFJ Dividend Value Fund	*	411,029
	Baron Funds	Small Cap Fund	*	134,186
	Marshall Funds	Mid Cap Growth Fund	*	1,194,269
	Neuberger Berman Funds	Genesis Trust Fund	*	1,929,245
	Fidelity Funds	Money Market Funds	*	3,550,433
		Fidelity Fund	*	587,797
		Capital & Income Fund	*	330,585
		Value Fund	*	73,874
		Balanced Fund	*	368,449
		International Discovery Fund	*	74,971
		Emerging Markets Fund	*	148,031
		Growth Discovery Fund	*	429,313
		Spartan Extended Market Index Fund	*	1,002,103
		Spartan International Index Fund	*	50,808
		Intermediate Government Income Fund	*	301,784
		Spartan U.S. Equity Index Fund	*	1,129,021
		Freedom Income Fund	*	77,570
		Freedom 2000 Fund	*	44,813
		Freedom 2005 Fund	*	7,442
		Freedom 2010 Fund	*	97,675
		Freedom 2015 Fund	*	62,512
		Freedom 2020 Fund	*	219,883
		Freedom 2025 Fund	*	138,342
		Freedom 2030 Fund	*	260,862
		Freedom 2035 Fund	*	116,517
		Freedom 2040 Fund	*	114,506
		Freedom 2045 Fund	*	83,605
		Freedom 2050 Fund	*	62,784
		Freedom 2055 Fund	*	9,165
	Participant Loans	Notes with varying maturities, interest rates 6.0%	---	172,646

(1) Schedule of Assets held for investment purposes, as defined in Department of Labor's reporting regulations, consist of any investment asset held by the Plan on the last day of the Plan year.

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