VALMONT INDUSTRIES INC
Form 11-K
June 26, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 2011

OR

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from TO

Commission file number

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

VALMONT EMPLOYEE RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

VALMONT INDUSTRIES, INC.

One Valmont Plaza

Omaha, Nebraska 68154-5215

Valmont Employee Retirement Savings Plan

Financial Statements as of and for the Years Ended December 31, 2011 and 2010, Supplemental Schedule as of December 31, 2011, and Report of Independent Registered Public Accounting Firm

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VALMONT EMPLOYEE RETIREMENT SAVINGS PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Participants of the
Valmont Employee Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of Valmont Employee Retirement Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2011 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

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In our opinion, such schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Deloitte & Touche LLP
Omaha, Nebraska
June 26, 2012

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VALMONT EMPLOYEE RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS:		
Investments at estimated fair value Wells Fargo Stable Return Fund Q	$ 65,185,607	$ 62,668,680
Investments at fair value:		
Mutual Funds	198,711,030	202,966,347
Valmont Industries, Inc. common stock	23,465,182	21,668,375
Total investments	287,361,819	287,303,402
Receivables:		
Notes receivable from participants	10,075,173	9,495,162
Due from broker for securities sold	193,763	930
Total receivables	10,268,936	9,496,092
NET ASSETS AVAILABLE FOR BENEFITS At fair value	297,630,755	296,799,494
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE STABLE VALUE FUND	(1,652,927)	(1,349,948)
NET ASSETS AVAILABLE FOR BENEFITS	$ 295,977,828	$ 295,449,546

See notes to financial statements.

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VALMONT EMPLOYEE RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
ADDITIONS:		
Investment (loss) income:		
Net (depreciation) appreciation in investments	$ (9,841,900)	$ 26,018,552
Interest and dividends on investments	5,785,041	4,570,538
Net investment (loss) income	(4,056,859)	30,589,090
Interest income on notes receivable from participants	411,404	434,571
Contributions:		
Employer	7,995,414	7,087,004
Employee	14,722,663	13,163,614
Rollover	497,787	523,392
Merged plan	2,372,716	
Total contributions	25,588,580	20,774,010
DEDUCTIONS:		
Benefits paid to participants	21,274,961	21,578,973
Administrative fees	139,882	116,857
Total deductions	21,414,843	21,695,830
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	528,282	30,101,841
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	295,449,546	265,347,705
End of year	$ 295,977,828	$ 295,449,546

See notes to financial statements.

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VALMONT EMPLOYEE RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. DESCRIPTION OF THE PLAN

The following description of the Valmont Industries, Inc. (the Company) Valmont Employee Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more comprehensive description of the Plan s provisions.

General The Plan constitutes a qualified plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986 covering regular employees, as defined in the Plan document, who have completed 90 days of service from date of hire. The Compensation Committee of the Board of Directors of the Company controls and manages the operation and administration of the Plan. Fidelity serves as the trustee of the Plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions Each year, participants may contribute up to 50% of eligible compensation on a pretax basis and up to 10% on an after-tax basis, subject to certain IRC limitations. The combined total of pretax and after-tax contributions cannot exceed 50% of eligible compensation. Participants may also make roll-over contributions representing distributions from a previous employer s qualified plan or an Individual Retirement Account (IRA). The Company contributes 75% of the first 6% of eligible compensation that a participant contributes to the Plan on a pre-tax basis. Upon enrollment in the Plan, a participant may direct employee and employer contributions in 1% increments into various investment options offered by the Plan. Allocation percentage and investments can be changed by the participant daily, subject to individual fund restrictions. The Plan has an automatic deferral feature in which employees that do not make an affirmative deferral election are deemed to have made a pre-tax deferral election of 3% of eligible compensation. The deferral percentage is increased by 1% annually up to a maximum of 6% of eligible compensation.

Participant Accounts Each participant s account is credited with the participant s contributions and any associated Company contributions. The participant s account is also credited with an allocation of Plan earnings or losses corresponding to the participant s investment elections and is charged certain administrative expenses. Allocations of Plan earnings and losses are based on participant 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.

Investments Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a common/collective trust, mutual funds, and Valmont Industries, Inc. common stock as investment options for participants. Investments in Valmont Industries, Inc. common stock are limited to 25% of a participant s account balance.

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Vesting Participants contributions and the related investment earnings are immediately vested. The Company s contributions and the related investment earnings are vested based on years of service:

Years of Service	Vesting Percentage
2	25%
3	50
4	75
5	100

Notes Receivable from Participants The loan provisions of the Plan allow participants to borrow a minimum of $1,000 and a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loans bear interest at a percentage equal to the prime rate at the beginning of the month in which the loan originates, plus 1%. Loans are secured by the participant s account balance and are scheduled for repayment by payroll deduction over a period of six months to four years. Loan transactions are treated as transfers between the investment funds and participants loan balances.

Benefit Payments Under the terms of the Plan, distributions may be made in lump-sum or installments. Distributions to non-retirees are made in one payment or are deferred until a later date.

Forfeited Accounts At December 31, 2011 and 2010, net assets available for benefits included forfeited nonvested accounts of $25,296 and $24,714, respectively. Forfeited accounts are used to reduce future employer contributions. During 2011 and 2010, employer contributions were reduced by $235,242 and $395,018, respectively, from forfeited nonvested accounts.

Plan Merger Effective May 2, 2011, the Industrial Galvanizers America 401(k) Plan and related trust (the Merged Plan), sponsored by Valmont Industries, Inc., was merged into the Plan. The merged assets are reported as Merged plan contributions in the statements of changes in net assets available for benefits. The Merged Plan operates in accordance with the Plan Document.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

Risks and Uncertainties The Plan invests in various investment instruments. Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants account balances and amounts reported in the financial statements.

Investment Valuation and Income Recognition The Plan s investments are stated at fair value. Fair value of a financial instrument 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. Shares of mutual funds managed by registered investment companies are valued at quoted net asset values. The Company common stock is valued at its quoted market price. Realized gains and losses on sales of investments and unrealized appreciation and depreciation in fair value of investments are based upon beginning of year market values or, if acquired during the year, cost.

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The Wells Fargo Stable Value Fund Q is a bank common/collective trust fund and is valued at estimated fair value as determined by the bank based on the underlying fair market value of the underlying investments. In accordance with GAAP, the stable value fund is included at estimated fair value in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis.

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.

Management fees and operating expenses charged to the Plan for investments in the mutual funds and common/collective trust funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Notes Receivable from Participants Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

Administrative Fees Administrative expenses of the Plan are paid by the Plan or the Plan s sponsor as provided in the Plan Document.

Payment of Benefits Benefits are recorded when paid. There were no participants, who have elected to withdraw from the Plan, but have not yet been paid at December 31, 2011 and 2010.

New Accounting Standards Not Yet Effective

ASU No. 2011-04 In May 2011, the FASB issued ASU No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which amends ASC 820. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The adoption will not have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits. Plan management has not determined the impact on the disclosures in the financial statements.

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3. INVESTMENTS

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

	2011	2010
Wells Fargo Stable Value Fund Q	$ 65,185,607	$ 62,668,680
PIMCO Total Return Institutional Fund	24,782,325	24,862,772
Dodge & Cox International Stock Fund	20,697,834	25,231,413
American Beacon Large Cap Value Fund	19,654,645	21,357,637
*Fidelity Contrafund	34,022,310	36,189,135
*Valmont Industries, Inc. common stock	23,465,182	21,668,375

* Represents party-in-interest

During the years ended December 31, 2011 and 2010, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value as follows:

Realized and Unrealized Gains/Losses

	2011	2010
Mutual funds:		
Target date retirement funds	$ (3,331,067)	$ 4,635,536
Equity funds	(4,199,976)	14,396,101
Fixed income funds	27,926	(24,467)
International equity funds	(4,447,904)	2,615,100
Other	(5,494)	57,054
Common collective trusts	1,366,451	1,758,515
Valmont Industries, Inc. common stock	748,164	2,580,713
	$ (9,841,900)	$ 26,018,552

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides 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, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs.

Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan s policy is to recognize significant transfers between levels at the end of the reporting period.

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The following tables set forth by level within the fair value hierarchy a summary of the Plan s investments measured at fair value on a recurring basis at December 31, 2011 and 2010.

Investments	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**2011 Total**
Mutual funds:				
Target date retirement funds	$ 54,487,029	$	$	$ 54,487,029
Equity funds	95,721,139			95,721,139
Fixed income funds	24,782,325			24,782,325
International equity funds	20,697,834			20,697,834
Other	3,022,703			3,022,703
Total mutual funds	198,711,030			198,711,030
Common collective trusts		65,185,607		65,185,607
Valmont Industries, Inc. common stock	23,465,182			23,465,182
Total investments	$ 222,176,212	$ 65,185,607	$	$ 287,361,819

Investments	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**2010 Total**
Mutual funds:				
Target date retirement funds	$ 51,223,817	$	$	$ 51,223,817
Equity funds	100,455,407			100,455,407
Fixed income funds	24,862,772			24,862,772