

FOSTER L B CO
Form 11-K
June 28, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2011.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 0-10436.

L. B. Foster Company Savings Plan for Bargaining Unit Employees
(Full title of the plan and the address of plan, if different from that of the issuer named below)

L. B. FOSTER COMPANY
415 Holiday Drive
Pittsburgh, PA 15222

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

EXHIBIT INDEX

Exhibit 23.1 Consent of Independent Registered Public Accounting Firm

Financial Statements and
Supplemental Schedule

L. B. Foster Company Savings Plan for
Bargaining Unit Employees
December 31, 2011 and 2010 and the
Year Ended December 31, 2011
With Report of Independent Registered Public
Accounting Firm

L. B. Foster Company
Savings Plan for Bargaining Unit Employees

Financial Statements and
Supplemental Schedule

December 31, 2011 and 2010
and the Year Ended December 31, 2011

Contents

| | |
|----------------------------------------------------------------|----|
| Report of Independent Registered Public Accounting Firm | 1 |
| Financial Statements | |
| Statements of Net Assets Available for Benefits | 2 |
| Statement of Changes in Net Assets Available for Benefits | 3 |
| Notes to Financial Statements | 4 |
| Supplemental Schedule | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 12 |

Report of Independent Registered Public Accounting Firm

The Plan Administrator
L. B. Foster Company
Savings Plan for Bargaining Unit Employees

We have audited the accompanying statements of net assets available for benefits of the L. B. Foster Company Savings Plan for Bargaining Unit Employees as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. 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 the 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. We were not engaged to perform an audit of the Plan's 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2011 and 2010, and the changes in its net assets available for benefits for the year ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011 is presented for purposes of additional analysis and is not a required part of the 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. Such information is the responsibility of the Plan's management. The information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
June 28, 2012

L. B. Foster Company
Savings Plan for Bargaining Unit Employees

Statements of Net Assets Available for Benefits

| | December 31 | |
|------------------------------------|-------------|-------------|
| | 2011 | 2010 |
| Assets | | |
| Investments, at fair value | \$1,435,210 | \$1,400,945 |
| Notes receivable from participants | 112,293 | 53,750 |
| Net assets available for benefits | \$1,547,503 | \$1,454,695 |

See accompanying notes.

L. B. Foster Company
Savings Plan for Bargaining Unit Employees

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2011

| | |
|---------------------------------------------------------------|-------------|
| Additions | |
| Investment income (loss): | |
| Interest and dividends | \$38,992 |
| Net realized/unrealized depreciation in investment fair value | (40,992) |
| Total investment loss | (2,000) |
| | |
| Contributions: | |
| Employee | 135,111 |
| Employer | 61,934 |
| Total contributions | 197,045 |
| Total additions | 195,045 |
| | |
| Deductions | |
| Deductions from net assets attributable to: | |
| Benefit payments | 100,484 |
| Administrative expenses | 1,753 |
| | 102,237 |
| | |
| Increase in net assets available for benefits | 92,808 |
| Net assets available for benefits, beginning of year | 1,454,695 |
| Net assets available for benefits, end of year | \$1,547,503 |

See accompanying notes.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements

December 31, 2011 and 2010

1. Description of Plan

The following brief description of the L. B. Foster Company Savings Plan for Bargaining Unit Employees (the Plan) is provided for general information purposes only. Participants should refer to the summary plan description as amended on May 1, 2007, for more complete information.

General

The Plan is a defined contribution plan extended to union hourly employees of L. B. Foster Company (the Company) who have attained age 18 and are employed at locations specified by the Plan. The L. B. Foster Company Investment Committee, appointed by the Board of Directors of the Company, serves as the plan administrator. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

Contributions

Contributions under the Plan are made by both the participants and the Company. A participant may elect to make deferred savings contributions on a pretax basis ranging up to 75% of annual compensation subject to Internal Revenue Code limitations. A participant who elects to make deferred savings contributions of at least 5% can also elect to make additional voluntary contributions on an after-tax basis provided, however, that the sum of the deferred savings and voluntary employee contributions does not exceed 100% of the participant's annual compensation. Participant and company contributions are invested in accordance with participant elections.

Company contributions are made pursuant to the terms of the collective bargaining agreements applicable to the Company's specific locations. Eligible employees of Spokane, Washington, shall have a company matching contribution of \$0.50 for every \$1.00 contributed by the employee on the first 4% to 6% of annual compensation, based upon years of service, as defined by the Plan. Eligible employees of the Bedford, Pennsylvania, facility shall have a company matching contribution of \$0.50 for every \$1.00 contributed by the employee, up to the first 5% of the employee's compensation. Matching contributions will only be made if the employee contributes to the Plan. The Company's contributions may be reduced by accumulated forfeitures. During the year ended December 31, 2011, no forfeitures were utilized to reduce company contributions. At December 31, 2011 and 2010, forfeitures of \$1,623 and \$138, respectively, were available to reduce future company contributions.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Vesting

A participant's vested interest in the Plan on any date is equal to the sum of the values of (a) that portion of the participant's account attributable to the participant's contributions and (b) that portion of the participant's account attributable to the Company's contributions multiplied by the applicable vesting percentage, (c) plus related earnings (losses). Participants are 100% vested in the Company's contributions after three years of eligible service or attaining age 65.

Notwithstanding the above, a participant who terminates from the Plan by reason of retirement, disability, or death is fully vested in their participant account.

Distributions

Normal retirement age is 65. Early retirement age is 55, provided that the participant has at least five years of service. In addition, a participant may obtain an early retirement distribution prior to reaching age 55, provided that the participant will turn 55 in the year distribution occurs and that the participant has completed at least five years of service.

As provided by the Plan, the distribution due to normal, early, or disability retirement, death, or termination of employment may be made in the form of a direct rollover, annuity, cash, or partly in cash, and partly as an annuity. The amount of such distribution is equal to the participant's vested account balance on the valuation date.

Withdrawals

In the event of hardship and subject to certain restrictions and limitations, as defined by the plan document, a participant may withdraw their vested interest in the portion of their account attributable to deferred savings contributions and related earnings. The Plan also allows for age 59½ in-service withdrawals of any portion or all of the participant's vested account balance.

Participants' Accounts

Each participant's account is credited with the participant's pretax and voluntary contributions, the participant's allocable share of company contributions, and related earnings of the funds. Participants' accounts may be invested in 10% increments into any of the mutual funds available under the Plan at the direction of the participant.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Loans

A participant may obtain a loan from the vested portion of their account, subject to a minimum of \$1,000 and a maximum of \$50,000. The loan proceeds are deducted from the participant's account and are repaid by means of payroll deductions. Loans are required to be repaid within 60 months from the date on which the loan is originally granted and may be prepaid without penalty at any time. The repayment period for a loan that is obtained for purchasing a primary residence may be as long as 120 months. The loan carries a reasonable interest rate as determined by the Plan Sponsor. The interest rate is computed on the date the loan is requested and remains fixed for the full term of the loan.

Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Should the Plan be terminated, participants will become fully vested in their accounts, and the assets of the Plan would be distributed to the participants based on their individual account balances as determined under the plan provisions.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are maintained on the accrual basis.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements, accompanying notes and supplemental schedule. Actual results could differ from those estimates.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Valuation of Investments

Mutual fund values are based on the underlying investments. Mutual fund securities traded on security exchanges are valued at the latest quoted sales price. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the plan year.

Realized gain or loss includes recognized gains and losses on the sale of investments. Unrealized appreciation or depreciation represents changes in value from original cost. Dividend income is recorded on the ex-dividend date and interest income is accrued as earned. Plan assets are concentrated in mutual funds primarily consisting of stocks and bonds. Realization of the Plan's net assets available for benefits is dependent on the results of these markets.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance, plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned and is reported within interest and dividends on the statement of changes in net assets. No allowance for credit losses has been recorded as of December 31, 2011 or 2010. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Expenses

The Company, as provided by the Plan, pays expenses of the Plan. Expenses incurred to establish and maintain a loan are charged to the applicable participant.

New Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update 2010-06, Improving Disclosures about Fair Value Measurements, (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. Adoption of ASU 2010-06 did not have an effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

3. Investments

For the year ended December 31, 2011, the Plan's investments (including investments bought, sold, and held during the year) depreciated in value as follows:

| | Fair Market Value | Net Realized/ Unrealized Appreciation (Depreciation) |
|-----------------------------------------|-------------------------|---------------------------------------------------------------|
| Mutual Funds: | | |
| Fidelity Investments: | | |
| Government Income Fund | \$ 189,069 | \$ 5,578 |
| Balanced Fund | 141,341 | 507 |
| International Discovery Fund | 376 | (73) |
| Low Price Stock Fund | 790 | (33) |
| Retirement Government Money Market Fund | 141,222 | - |
| Spartan 500 Index Fund | 157,902 | 628 |
| Spartan Extended Market Index Inv Fund | - | (18) |
| Spartan International Index Fund | 353 | (52) |
| Freedom Income Fund | 11,557 | (30) |
| Freedom 2000 | 1,265 | (6) |
| Freedom 2005 | 2,609 | (76) |
| Freedom 2015 | 601 | (24) |
| Freedom 2020 | 29,974 | (3,333) |
| Freedom 2025 | 6,072 | (325) |
| Freedom 2030 | 54,754 | (4,015) |
| Freedom 2035 | 96,351 | (8,250) |
| Freedom 2040 | 53,400 | (4,236) |
| Freedom 2045 | 13,052 | (820) |
| Freedom 2050 | 33,271 | (2,378) |
| Columbia/Acorn Select Z | 400 | (45) |
| Mutual Shares Class A | 197,185 | (7,769) |
| Oppenheimer Developing Markets Fund | 655 | (85) |
| PIMCO Total Return Fund | 2,986 | (13) |
| PIMCO Real Return Inst | 4,506 | 71 |
| Allianz NFJ Small Cap Value Fund | 564 | (36) |
| RYDEX/SGI Mid Cap Value A Fund | 3,069 | (122) |
| Sentinel Common Stock A Fund | 288,915 | (4,642) |
| Davis NY Venture Fund | - | (10,986) |
| | 1,432,239 | (40,583) |
| Common Stock: | | |

Edgar Filing: FOSTER L B CO - Form 11-K

| | | | |
|---------------------------------------------|-------------|------------|---|
| L. B. Foster Company Stock Fund | 1,940 | (409 |) |
| L. B. Foster Company Stock Purchase Account | 1,031 | – | |
| | \$1,435,210 | \$ (40,992 |) |

8

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

3. Investments (continued)

The fair value of investments representing 5% or more of the Plan's net assets at December 31, 2011 and 2010 is as follows:

| | 2011 | 2010 |
|--------------------------------------------------------------|-----------|---------|
| Sentinel Common Stock A Fund | \$288,915 | \$- |
| Mutual Shares Class A | 197,185 | 198,729 |
| Fidelity Investments Government Income Fund | 189,069 | 169,617 |
| Fidelity Investments Spartan 500 Index Fund | 157,902 | 164,619 |
| Fidelity Investments Retirement Government Money Market Fund | 141,222 | 139,578 |
| Fidelity Investments Balanced Fund | 141,341 | 157,242 |
| Fidelity Investments Freedom 2035 | 96,351 | 85,999 |
| Davis NY Venture Fund | - | 300,496 |

4. Income Tax Status

The underlying volume submitter plan has received an opinion letter from the Internal Revenue Service (IRS) dated March 31, 2008, stating that the written form of the underlying volume submitter document is qualified under Section 401(a) of the Internal Revenue Code (the Code). Any employer adopting this form of the plan will be considered to have a plan qualified under Section 401(a) of the Code, and, therefore, the related trust is tax-exempt. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

5. Transactions With Parties in Interest

Certain trustee, accounting, and administrative expenses relating to the maintenance of participant records and the Plan's administration are absorbed by the Company.

6. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

7. Fair Value Measurements

The Plan applies the provisions of Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures (ASC 820), to its financial assets carried in the financial statements at fair value on a recurring basis. ASC 820 defines fair value as the exchange price that would be received for an asset in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy and requires categorization of assets measured at fair value into one of three levels based on the inputs used in the valuation. Assets are classified in their entirety based on the lowest level of input significant to the fair value measurement. The three levels are defined as:

- Level 1 – Observable inputs based on quoted prices (unadjusted) in active markets for identical assets.
- Level 2 – Observable inputs, other than those included in Level 1, based on quoted prices for similar assets in active markets or quoted prices for identical assets in inactive markets.
- Level 3 – Unobservable inputs that reflect an entity's own assumptions about the inputs a market participant would use in pricing the asset based on the best information available in the circumstances.

L. B. Foster Company

Savings Plan for Bargaining Unit Employees

Notes to Financial Statements (continued)

7. Fair Value Measurements (continued)

Investments included in the statements of net assets available for benefits include mutual funds totaling \$1,432,239 and \$1,398,897 and the Company's common stock fund of \$1,940 and \$1,018 and are stated at fair value as of December 31, 2011 and 2010, respectively. These investments are valued using daily unadjusted quoted prices and are Level 1 fair value measurements.

Supplemental Schedule

L. B. Foster Company
Savings Plan for Bargaining Unit Employees

EIN #25-1324733 Plan #014

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

December 31, 2011

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment | Shares Held | Fair Market Value |
|----------------------------------------------------------|----------------------------------------------------|----------------|-------------------------|
| Fidelity Investments*: | | | |
| Government Income Fund | Government obligations | 17,555 | \$ 189,069 |
| Balanced Fund | Equities | 7,770 | 141,341 |
| International Discovery Fund | Equities | 13 | 376 |
| Low Price Stock Fund | Equities | 22 | 790 |
| Retirement Government Money Market Fund | Government obligations, money market securities | 141,222 | 141,222 |
| Spartan International Index Fund | Equities | 12 | 353 |
| Spartan 500 Index Fund | Equities | 3,549 | 157,902 |
| Freedom Income Fund | Equity funds, fixed income funds | 1,028 | 11,557 |
| Freedom 2000 | Equity funds, fixed income funds | 106 | 1,265 |
| Freedom 2005 | Equity funds, fixed income funds | 248 | 2,609 |
| Freedom 2015 | Equity funds, fixed income funds | 55 | 601 |
| Freedom 2020 | Equity funds, fixed income funds | 2,285 | 29,974 |
| Freedom 2025 | Equity funds, fixed income funds | 562 | 6,072 |
| Freedom 2030 | Equity funds, fixed income funds | 4,264 | 54,754 |
| Freedom 2035 | Equity funds, fixed income funds | 9,133 | 96,351 |
| Freedom 2040 | Equity funds, fixed income funds | 7,256 | 53,400 |
| Freedom 2045 | Equity funds, fixed income funds | 1,502 | 13,052 |
| Freedom 2050 | Equity funds, fixed income funds | 3,896 | 33,271 |
| Columbia/Acorn Select Z Fund | Equities | 17 | 400 |
| Mutual Shares Class A | Equities | 9,954 | 197,185 |
| Oppenheimer Developing Markets Fund | Equities | 22 | 655 |
| PIMCO Real Return Inst | Fixed income securities | 382 | 4,506 |
| PIMCO Total Return Fund | Fixed income securities | 275 | 2,986 |
| Allianz NFJ Small Cap Value Fund | Equities | 20 | 564 |
| RYDEX/SGI Mid Cap Value A | Equities | 104 | 3,069 |
| Sentinel Common Stock A Fund | Equities | 9,293 | 288,915 |
| | | | 1,432,239 |

L. B. Foster Company
Savings Plan for Bargaining Unit Employees

EIN #25-1324733 Plan #014

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year) (continued)

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment | Shares Held | Fair Market Value |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|
| L. B. Foster Company*: Stock Fund Stock Purchase Account | Common stock Money market securities | 69 – | \$1,940 1,031 2,971 1,435,210 |
| Participant loans* | Participant loans, interest rates ranging from 4.25% to 8.25%, various maturities ranging from one year to five years | | 112,293 \$1,547,503 |

*Party in interest

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

L.B. Foster Company Savings Plan for Bargaining Unit Employees
(Name of Plan)

Date: June 28, 2012

/s/ Brian H. Kelly

Brian H. Kelly

Vice President, Human Resources