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FOSTER L B CO
Form 11-K
June 29, 2006

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

FORM 11-K

FOR 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, 2005.

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 Voluntary Investment Plan

(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)

FINANCIAL STATEMENTS AND OTHER FINANCIAL
INFORMATION

L. B. Foster Company Voluntary Investment Plan
December 31, 2005 and 2004, and the Year Ended December 31, 2005
With Report of Independent Auditors

L. B. Foster Company

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Voluntary Investment Plan

Financial Statements and Other Financial Information

December 31, 2005 and 2004,
and the Year Ended December 31, 2005

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Plan Administrator
L. B. Foster Company
Voluntary Investment Plan

We have audited the accompanying statements of net assets available for benefits of the L. B. Foster Company Voluntary Investment Plan as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. 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, 2005 and 2004, and the changes in its net assets available for benefits for the year ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

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Our audits were performed 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, 2005 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. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule 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

June 2, 2006

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L. B. Foster Company Voluntary Investment Plan

Statements of Net Assets Available for Benefits

	December 31	
	2005	2004
Assets		
Investments, at fair value	\$35,148,289	\$33,594,419
Participant loans	463,220	518,121
	35,611,509	34,112,540
Receivables:		
Employee	88,418	83,243
Employer	533,451	192,350
Other	563	162
	622,432	275,755
Net assets available for benefits	\$36,233,941	\$34,388,295

See accompanying notes.

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L. B. Foster Company Voluntary Investment Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2005

Additions	
Investment income:	
Interest and dividends	\$ 1,735,116
Net realized/unrealized appreciation in investment fair value	1,019,685
	2,754,801
Total investment income	
Contributions:	

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Employee	1,366,630
Employer	1,019,048

Total contributions	2,385,678

	5,140,479
Deductions	
Benefit payments	3,294,833

	3,294,833

Increase in net assets available for benefits	1,845,646
Net assets available for benefits, beginning of year	34,388,295

Net assets available for benefits, end of year	\$36,233,941
	=====

See accompanying notes.

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L. B. Foster Company
Voluntary Investment Plan

Notes to Financial Statements

December 31, 2005 and 2004

1. Description of Plan

The following brief description of the L. B. Foster Company Voluntary Investment Plan (the Plan) as amended effective January 1, 1999, is provided for general information purposes only. Participants should refer to the summary plan description for more complete information.

General

The Plan is a defined contribution plan extended to all eligible salaried employees of L. B. Foster Company (the Company) who have attained age 18. The L. B. Foster Company Employee Benefits Policy and Review Committee, appointed by the Board of Directors of the Company, collectively 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 who elects to make pretax contributions of at least the maximum amount subject to company matching can also elect to make additional voluntary contributions on an after-tax basis. Employees may contribute up to 30% of their annual compensation subject to Internal Revenue Code limitations. There is no limit on aggregate pretax and after-tax contributions. Participant contributions and employer matching contributions are invested in accordance with participant elections. In the event that a participant does not make an investment election, contributions are invested in the Fidelity Freedom funds until such time as an election is made by the participant. The participant may transfer contributions defaulted to these funds into other investment options at the participant's

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discretion.

Beginning the first of the month following 12 months of employment, the Company provides a 50% match of the participant's primary contribution on the first 4% to 6% of annual compensation, based on years of service, as defined by the Plan. Beginning the first of the month following 12 months of employment, the Company contributes a fixed amount equal to 1% of eligible employees' annual compensation regardless of whether the employee elects to contribute to the Plan. Company contributions may be reduced by forfeitures that accumulate.

The Plan also requires an additional matching employer contribution of up to \$.50 for each \$1.00 of eligible pretax contributions based on a target ratio of the Company's annual pretax income to equity as defined in the Plan. No additional matching employer contributions were made in 2005 and 2004.

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1. Description of Plan (continued)

The Company, upon resolution of the Board of Directors, may make a discretionary additional contribution of an amount out of, but not in excess of, the Company's current or accumulated profits. Discretionary contributions of \$494,000 and \$154,000 were approved for 2005 and 2004, respectively. The Company's contributions may be reduced by any forfeitures which accumulate from terminations of participants with nonvested employer contributions. Forfeitures totaling \$300 and \$3,200 were utilized to offset contributions in 2005 and 2004, respectively. At December 31, 2005 and 2004, forfeitures of \$400 and \$9,300, respectively, were available to reduce future company contributions.

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 plus or minus related earnings (losses). Participants that are active as of January 1, 2002, or later are 100% vested in the Company's contributions after three years of eligible service or after attaining age 65. Participants that are inactive as of or terminated prior to January 1, 2002, are 100% vested in the Company's contributions after five years of eligible service or after 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 the distribution occurs and that the participant has at least five years of service.

As provided by the Plan, the distribution to which a participant is entitled by reason of normal, early, late, or disability retirement, death, or termination of employment may be made in the form of direct rollover, annuity, cash, or partly in cash and partly as an annuity. The amount of such distribution is

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equal to the participant's vested account balance on the valuation date.

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1. Description of Plan (continued)

Withdrawals

Under the Plan, a participant may elect to withdraw voluntary, after-tax contributions made to the Plan prior to January 1, 1987. Such withdrawals are subject to a \$1,000 minimum. In the event of extreme hardship and subject to certain restrictions and limitations, a participant may withdraw their vested interest in the portion of their account attributable to matching, fixed, and discretionary contributions, and related earnings.

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.

Loans

A participant may obtain a loan from the vested portion of their account, subject to spousal consent, if applicable. The loan proceeds (subject to a minimum of \$1,000 and a maximum of \$50,000) 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 early without penalty. The repayment period for a loan that is obtained for purchasing a primary residence may be as long as 360 months. The loan carries an interest rate computed at the prime rate plus 0.5%. 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.

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2. Summary of Significant Accounting Policies

Valuation of Investments

Mutual fund values are based on the underlying investments in securities. Mutual fund securities traded on security exchanges are valued at the latest quoted

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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. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that fixed rate date are valued at the average of the last reported bid and ask quotations. Loans receivable from participants are valued at cost which approximates fair value.

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.

As described above, the assets of the Plan are concentrated in mutual funds consisting primarily of stocks and bonds. Realization of amounts disclosed as net assets available for benefits is dependent on the results of these markets.

Basis of Accounting

The financial statements of the Plan are maintained on the accrual basis. Contributions receivable are recorded among the available investment options based upon the participants' aggregate investment allocations in effect at the end of the plan year.

Use of Estimates

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

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.

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3. Investments

Profit-sharing contributions are directed into the L. B. Foster Company Stock Fund. Participants may subsequently transfer profit-sharing contributions into other plan funds at their discretion. The L. B. Foster Company Stock Fund is a unitized stock fund comprised of a 95% to 99% investment in L. B. Foster Company common stock with the remaining 1% to 5% invested in a short-term investment fund. As a result, participant accounts receive units of participation in the fund rather than common shares.

For the year ended December 31, 2005, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value as follows:

Fair Market Value	Net Realized/ Unrealized Appreciation (Depreciation)
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Fidelity investments:

Magellan Fund	\$ 3,863,455	\$ 80,728
Equity Income Fund	2,933,547	(6,171)
Growth and Income Fund	3,797,262	(377,235)
Government Income Fund	1,511,987	(18,812)
Blue Chip Fund	306,737	11,095
Asset Manager Fund	932,548	(10,159)
Low Price Stock Fund	1,827,715	36,306
Small Cap Stock Fund	779,261	13,633
Freedom Income Fund	59,917	474
Freedom 2000	201,140	3,062
Freedom 2010	911,533	22,360
Freedom 2020	1,299,143	69,167
Freedom 2030	424,476	21,100
Freedom 2040	211,341	8,647
Managed Income Fund	1,802,609	-
Retirement Government Money Market Fund	2,198,890	-
Spartan U.S. Equity Index Fund	2,897,159	84,156
Credit Suisse Emerging Growth Fund	670,903	35,443
PIMCO Total Return Fund	1,512,347	(32,757)
Allianz NFJ Small Cap Value Fund	563,559	(17,214)
MSI International Equity Fund	2,930,920	(94,457)
L. B. Foster Company Stock Fund	3,511,840	1,190,319
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	\$ 35,148,289	\$ 1,019,685
	=====	=====

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3. Investments (continued)

The fair value of investments representing 5% or more of the Plan's assets at December 31, 2005 and 2004, is as follows:

	2005	2004
	-----	-----
Fidelity investments:		
Magellan Fund	\$ 3,863,455	\$ 4,829,391
Equity Income Fund	2,933,547	3,290,364
Growth and Income Fund	3,797,262	3,632,852
Government Income Fund	1,511,987	2,068,563
Low Price Stock Fund	1,827,715	2,384,917
Retirement Government Money Market Fund	2,198,890	2,452,121
Managed Income Fund	1,802,609	2,015,495
Spartan U.S. Equity Index Fund	2,897,159	3,000,252
MSI International Equity Fund	2,930,920	2,537,223
L. B. Foster Company Stock Fund	3,511,840	2,240,466

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated July 30, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan was amended subsequent to the IRS determination letter. The plan sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

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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.

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Other Financial Information

L. B. Foster Company
Voluntary Investment Plan

EIN #25-1324733 Plan #201

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

December 31, 2005

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Shares Held
Fidelity Investments*:		
Magellan Fund	Equities	36,29
Equity Income Fund	Equities	55,58
Growth and Income Fund	Equities	110,38
Government Income Fund	Government obligations	149,40
Blue Chip Fund	Equities	7,10
Asset Manager Fund	Equities, money market, bonds	58,10
Low Price Stock Fund	Equities	44,75
Small Cap Stock Fund	Equities	42,58
Freedom Income Fund	Equity funds, fixed income funds	5,27
Freedom 2000	Equity funds, fixed income funds	16,47
Freedom 2010	Equity funds, fixed income funds	64,87
Freedom 2020	Equity funds, fixed income funds	88,31
Freedom 2030	Equity funds, fixed income funds	28,26
Freedom 2040	Equity funds, fixed income funds	23,93
Managed Income Fund	Guaranteed investment contracts	1,802,60
Retirement Government Money Market Fund	Government obligations, money market securities	2,198,89
Spartan U.S. Equity Index Fund	Equities	65,60
Credit Suisse Emerging Growth Fund	Equities	20,16
PIMCO Total Return Fund	Fixed income securities	144,03
Allianz NFJ Small Cap Value Fund	Equities	19,48
MSI International Equity Fund	Equities	145,16
<hr/>		
Total mutual funds		
L. B. Foster Company Stock Fund	Interest-bearing cash Common stock	164,598 225,002
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Outstanding participant loans

Participant loans, interest rates ranging from 4.5% to 10.5%, various maturities ranging from 2 to 30 years

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EXHIBIT INDEX

Exhibit 23.1 Consent of Independent Registered Public Accounting Firm

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SIGNATURE

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
Voluntary Investment Plan

(Name of Plan)

Date: June 28, 2006

By: /s/ David J. Russo

David J. Russo
Senior Vice President,
Chief Financial Officer and
Treasurer