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), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LTMI DEFINED BENEFIT PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 07/01/2003

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
LAREDO TRANSIT MANAGEMENT INC

1301 FARRAGUT ST 3RD FLOOR WEST
LAREDO, TX 78040-4902

2b Employer Identification Number (EIN)
02-0668666

2c Sponsor's telephone number
956-795-2288

2d Business code (see instructions)
485110

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.	04/12/2012	MARIA I ROYSTER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
LAREDO TRANSIT MANAGEMENT INC

1301 FARRAGUT ST 3RD FLOOR WEST
LAREDO, TX 78040-4902

3b Administrator's EIN
02-0668666

3c Administrator's telephone number
956-795-2288

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**	223
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**	162
b	Retired or separated participants receiving benefits	**6b**	13
c	Other retired or separated participants entitled to future benefits	**6c**	46
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	221
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	2
f	Total. Add lines **6d** and **6e**	**6f**	223
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 1G 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
LTMI DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LAREDO TRANSIT MANAGEMENT INC

D Employer Identification Number (EIN)
02-0668666

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 07 Day 01 Year 2010

2	Assets:			
	a Market value		**2a**	2281905
	b Actuarial value		**2b**	2331705
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	8	77571
	b For terminated vested participants	**3b**	45	306048
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		36168
	(2) Vested benefits	**3c(2)**		2419599
	(3) Total active	**3c(3)**	170	2455767
	d Total	**3d**	223	2839386
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.61 %
6	Target normal cost		**6**	238992

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

	02/09/2012
Signature of actuary	Date
VALERIE M. ZINZER	11-05786
Type or print name of actuary	Most recent enrollment number
NOVA 401K ASSOCIATES	713-524-5192
Firm name	Telephone number (including area code)
10777 NORTHWEST FREEWAY SUITE 440 HOUSTON, TX 77092	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	11537	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	7882	0
9	Amount remaining (Item 7 minus item 8)	3655	0
10	Interest on item 9 using prior year's actual return of 13.73 %	502	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of 6.75 %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections	0	
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	4157	0

Part III Funding percentages

14	Funding target attainment percentage	14	81.97 %
15	Adjusted funding target attainment percentage	15	81.97 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	81.66 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/28/2011	210000	0			
07/14/2011	71000	0			
12/12/2011	49832	0			
12/14/2011	100	0			
			Totals ► 18(b)	330932	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	310310

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [X] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.26 %	6.56 %	6.70 %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b** 2

22 Weighted average retirement age **22** 65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ..... ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment **27**

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) **29** 0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29) **30** 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions) **31** 238992

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	398263	75406
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) **34** 314398

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	4157	0	4157

36 Additional cash requirement (item 34 minus item 35) **36** 310241

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) **37** 310310

38 Interest-adjusted excess contributions for current year (see instructions) **38** 69

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) **39** 0

40 Unpaid minimum required contribution for all years **40** 0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
LTMI DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
LAREDO TRANSIT MANAGEMENT INC

D Employer Identification Number (EIN)
02-0668666

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

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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)

NOVA 401K ASSOCIATES

10777 NORTHWEST FREEWAY
SUITE 440
HOUSTON, TX 77092

20-1181453

(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?
11 17	NONE	50900	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

GARZA, MARTINEZ & CO., LLP

107 CALLE DEL NORTE
SUITE 15A
LAREDO, TX 78044-2664

41-0449260

(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?
10	NONE	10175	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

WELLS FARGO BANK, N.A.

40 NE LOOP 410
SUITE 642
SAN ANTONIO, TX 78216

41-0449260

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
60 63 65	NONE	8962	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
LTMI DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
LAREDO TRANSIT MANAGEMENT INC

D Employer Identification Number (EIN)
02-0668666

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	130905	120932
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	753	1919
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	66569	88127
(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)		
(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)	2086390	2869101
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	2284617	3080079
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2284617	3080079

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)	330932	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		330932
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	93	
	(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)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		93
	(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)	34288	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		34288
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	602461	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	602461	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (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)		0
(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)		525377
c Other income	2c		3473
d Total income. Add all **income** amounts in column (b) and enter total	2d		894163
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	28664	
(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)		28664
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	61075	
(2) Contract administrator fees	2i(2)	5489	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3473	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		70037
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		98701
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		795462
l Transfers of assets:			
(1) To this plan	2l(1)		88474
(2) From this plan	2l(2)		88474

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: GARZA, MARTINEZ & CO., L.L.P. (2) EIN: 74-2967006

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e		X	
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
LTMI DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
LAREDO TRANSIT MANAGEMENT INC

D Employer Identification Number (EIN)
02-0668666

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): 41-0449260

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** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Laredo Transit Management, Inc.

Defined Benefit Plan

Financial Statements

For the Years Ended June 30, 2011 and 2010

Laredo Transit Management, Inc.
Defined Benefit Plan
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June 30, 2011

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GARZA, MARTINEZ & CO., L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
107 CALLE DEL NORTE, SUITE 15A
P.O. BOX 2664
LAREDO, TEXAS 78044-2664

Raul Garza, CPA, MPA, CGFM, DABFA
Jorge R. Martinez, CPA
Linda V. Compean, CPA, MPA
Gabariela L. Brondo
Ramiro R. Moreno, Jr
Ruby M. Castañeda
Adrian Flores, Jr.

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Tel:(956) 727-4122
Fax:(956) 727-5262
E Mail:cpafirm@gmc-cpa.com

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
The Laredo Transit Management, Inc. Defined Benefit Plan

We have audited the accompanying financial statements of Laredo Transit Management, Inc. Defined Benefit Plan as of June 30, 2011 and 2010 and for the fiscal year ended June 30, 2011, as listed in the accompanying index. 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.

Except as discussed in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Wells Fargo Bank, the trustee of the Defined Benefit Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended June 30, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial status of The Laredo Transit Management, Inc. Defined Benefit Plan as of June 30, 2011 and 2010, and the changes in its financial status for the fiscal year ended June 30, 2011, 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 financial statements as a whole. The supplemental schedules listed in the accompanying index are presented for the purpose of additional analysis and are not a required part of the financial statements but are 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 and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

Garza, Martinez & Co., LLP

Laredo, Texas
April 6, 2011

LAREDO TRANSIT MANAGEMENT, INC DEFINED BENEFIT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
June 30, 2011 and 2010

	2011	2010
ASSETS		
Investments (at fair value):		
Corporate Bonds and Debentures	$ 786,733	$ 777,307
Common Stocks	2,082,368	1,309,084
	2,869,101	2,086,391
Receivables:		
Employer Contributions	120,932	-
Accrued Dividends	1,919	753
	122,851	753
Cash	88,127	66,569
TOTAL ASSETS	3,080,079	2,153,713
LIABILITIES		
Accrued Expenses	1,375	1,367
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,078,704	$ 2,152,346

See Accompanying Notes

LAREDO TRANSIT MANAGEMENT, INC DEFINED BENEFIT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended June 30, 2011 and 2010

	2011	2010
ADDITIONS TO NET ASSETS		
Investment Income:		
Net Appreciation in Fair Value of Investments	$ 525,377	$ 207,694
Interest	102	11,557
Dividends	37,752	24,474
	563,231	243,725
Contributions:		
Employers	330,932	304,723
TOTAL ADDITIONS TO NET ASSETS	894,163	548,448
DEDUCTIONS FROM NET ASSETS		
Deductions from Net Assets Attributed to:		
Benefits paid directly to participants	28,664	8,282
Administrative Expenses	70,045	15,279
TOTAL DEDUCTIONS TO NET ASSETS	98,709	23,561
NET INCREASE	795,454	524,888
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	2,152,345	1,752,181
Prior Period Adjustment (Note K)	130,905	(124,723)
END OF YEAR	$ 3,078,704	$ 2,152,346

See Accompanying Notes

LAREDO TRANSIT MANAGEMENT, INC DEFINED BENEFIT PLAN
STATEMENT OF ACCUMULATED PLAN BENEFITS
Years Ended June 30, 2011 and 2010

	2011	2010
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Vested Active Participants	$ 2,312,913	$ 2,248,180
Inactive Deferred Participants	291,299	290,919
Participants in Receipt of Benefits	293,382	68,594
	2,897,594	2,607,693
Nonvested benefits	51,467	39,245
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 2,949,061	$ 2,646,938

See Accompanying Notes

LAREDO TRANSIT MANAGEMENT, INC DEFINED BENEFIT PLAN
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
Year Ended June 30, 2011

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR	**$**	**2,646,938**
Increase (decrease) during the year attributable to:		
Benefits accumulated and Actuarial Gains and Losses		**111,782**
Increase for Interest Due to Decrease in Discount Period		**184,282**
Benefits Paid		**(28,664)**
Change in Assumptions		**34,723**
Change in Plan Provisions		**-**
NET INCREASE		**302,123**
ACTURIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	**$**	**2,949,061**

See Accompanying Notes

NOTE A—DESCRIPTION OF PLAN

The following brief description of the Laredo Transit Management, Inc. Defined Benefit Plan ("Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The adoption agreement establishing a defined benefit plan came into effect on July 1, 2003 and is known as the LTMI Defined Benefit Plan. The agreement was amended on June 30, 2008 to reflect several changes in the terms of the Plan. In addition, the agreement between the Company and its employees requires the Company to fund the plan. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Pension Benefits

Employees with 1 or more years of service are entitled to annual pension benefits beginning at normal retirement age (65) or the attainment of age 50 with the completion of 20 years of service. The benefit to each employee will equal $52.08 multiplied by the total years of service before July 1, 2008. The maximum number of years of credited service to be taken into account shall be 20 years. Beginning on or after July 1, 2008 the benefit to each employee will equal $28.50 multiplied by the total years of service. The maximum number of years to be taken into account shall be 20 reduced by the total years of service earned before July 1, 2008. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Payment to a former participant of the vested portion of the accrued benefit shall commence no later than the date on which a participant either (1) attains the age of 65; (2) the 10th anniversary of the year in which the participant commenced participation in the plan; or (3) the date the Participant terminates service with the Employer. The vesting schedule for participants will be based on 100% for those entering the Plan prior to July 1, 2008. Employees that enter on or after July 1, 2008, there will be a 5-year cliff as follows:

0-4 years - 0%
5+ years - 100%

Employees may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or termination, or they may elect to receive their benefits as a life annuity payable monthly from retirement.

Death and Disability Benefits

If a participant dies prior to commencement of a normal retirement pension, then the participant's beneficiary will receive a death benefit equal to 50% of the present value of the vested accrued benefit. Active employees who become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled.

Administration of Plan Net Assets

The Plan's assets are held by the Trustee of the Plan. Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants (if applicable). Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through April 6, 2012, which is the date the financial statements were available to be issued.

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. Many factors are considered in arriving at fair value. In general, however, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. If a quoted market price for

unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with multiples of similar companies based on current market prices. Certificates of deposit (if any) are valued based on amortized cost or original cost plus accrued interest. 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.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded form Plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Payment of Benefits

Benefit payments to participants are recorded upon distributions.

NOTE C—INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

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

	2011	2010
Defined Benefit Plan		
Investments, at fair value:		
Bonds	$ 786,733	$ 777,307
Securities	2,082,368	1,309,084
Investment Income (Loss)	563,230	243,725
Administrative Expenses	70,045	15,279
Benefit Payments	28,664	8,282

NOTE D—INVESTMENTS

The Plan's investments are held in a bank-administered trust fund. The following schedule presents investments at June 30, 2011 and 2010.

	2011	2010
Defined Benefit Plan:		
Corporate Bonds and Debentures		
Federated Total Return Bond	$ 242,246	$ 180,817
Metropolitan West Fund	160,761	119,972
Wells Fargo Total Return Bond	383,727	305,894
Common Stocks		
Evergreen Intrinsic Value Fund	-	85,046
Goldman Sachs Small Cap Value Fund	129,982	95,497
Goldman Sachs International Fund	-	89,641
Harbor International Fund	106,374	67,572
Invesco Small Cap Growth Fund	132,580	96,572
Janus Overseas Fund Class A Shares	94,342	67,705
JP Morgan Small Cap Equity Fund	264,988	188,066
Mainstay Large Company Growth Fund	192,945	135,092
MFS Value Fund Class W	237,394	170,624
T Rowe Price Equity Income	117,714	-
Thornburg International Value Fund	107,181	-
Wells Fargo Advantage Capital Growth Fund	383,213	266,255
Wells Fargo Advantage Equity Value Fund	119,217	82,319
Wells Fargo Advantage Growth Fund	196,437	135,319
Total	$ 2,869,101	$ 2,086,391

NOTE E—FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate

valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair values of common stock, most corporate bonds, and U.S. government securities are based on quoted market prices.

Level 2 Fair Value Measurements

The fair values of other corporate bonds are based on yields currently available on comparable securities of issuers with similar credit ratings.

Level 3 Fair Value Measurements

The fair value of guaranteed investment contracts (if any) is determined using an income approach and discounting the related cash flows based on current yields of similar instruments with comparable durations. The fair value of mortgages (if any) is based on the future principal and interest payments discounted at prevailing interest rates for similar investments. The fair value of real estate investments (if any), principally rental property subject to long-term leases, has been estimated on the basis of future rental receipts and estimated residual values discounted at interest rates commensurate with the risks involved.

The Plan administrator determines the fair value measurement policies and procedures, subject to oversight by the Company's employee benefit committee. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

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LAREDO TRANSIT MANAGEMENT, INC.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS

		Fair Value Measurements at the End of the Reporting Period Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservabl Inputs (Level 3)
June 30, 2011				
Corporate Bonds and Debentures				
Federated Total Return Bond	$ 242,246	$ 242,246	$ -	$ -
Metropolitan West Fund	160,761	160,761	-	-
Wells Fargo Total Return Bond	383,727	383,727	-	-
Common Stocks				
Goldman Sachs Small Cap Value Fund	129,982	129,982	-	-
Harbor International Fund	106,374	106,374	-	-
Invesco Small Cap Growth Fund	132,580	132,580	-	-
Janus Overseas Fund Class A Shares	94,342	94,342	-	-
JP Morgan Small Cap Equity Fund	264,988	264,988	-	-
Mainstay Large Company Growth Fund	192,945	192,945	-	-
MFS Value Fund Class W	237,394	237,394	-	-
T Rowe Price Equity Income	117,714	117,714	-	-
Thornburg International Value Fund	107,181	107,181	-	-
Wells Fargo Advantage Capital Growth Fund	383,213	383,213	-	-
Wells Fargo Advantage Equity Value Fund	119,217	119,217	-	-
Wells Fargo Advantage Growth Fund	196,437	196,437	-	-
Total	$ 2,869,101	$ 2,869,101	$ -	$ -

		Fair Value Measurements at the End of the Reporting Period Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservabl Inputs (Level 3)
June 30, 2010				
Corporate Bonds and Debentures				
Federated Total Return Bond	$ 180,817	$ 180,817	$ -	$ -
Metropolitan West Fund	119,972	119,972	-	-
Wells Fargo Total Return Bond	305,894	305,894	-	-
Common Stocks				
Evergreen Intrinsic Value Fund	85,046	85,046	-	-
Goldman Sachs International Fund	89,641	89,641	-	-
Goldman Sachs Small Cap Value Fund	95,497	95,497	-	-
Mainstay Large Company Growth Fund	135,092	135,092	-	-
Harbor International Fund	67,572	67,572	-	-
Invesco Small Cap Growth Fund	96,572	96,572	-	-
Janus Adviser International Growth Fund	67,705	67,705	-	-
JP Morgan Small Cap Equity Fund	188,066	188,066	-	-
MFS Value Fund	170,624	170,624	-	-
Wells Fargo Capital Growth	266,255	266,255	-	-
Wells Fargo Advantage Equity Value Fund	82,319	82,319	-	-
Wells Fargo Advantage Growth Fund	135,319	135,319	-	-
Total	$ 2,086,391	$ 2,086,391	$ -	$ -

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended June 30, 2011, there were no significant transfers in or out of levels 1, 2, or 3.

NOTE F—FUNDING POLICY

In accordance with an agreement reached with its employees, the Company has agreed to contribute at minimum $250,000 per year into the plan through June 30, 2012.

NOTE G—PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before termination.

2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

3. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).

4. All other vested benefits (that is, vested benefits not insured by the PBGC).

5. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

NOTE H—RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

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

	June 30,	
Defined Benefit Plan	2011	2010
Net assets available for pension benefits per the financial statements	$ 3,078,704	$ 2,152,346
Adjustments to agree with Form 5500:		
Receivable - Employer Contributions	(120,932)	-
Accrued Dividends received after year end	(1,919)	(753)
Accrued Expenses paid after year end	1,375	1,367
Net assets available for benefits per Schedule H of the Form 5500	$ 2,957,228	$ 2,152,959

NOTE I—TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE J—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 the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE K—PRIOR PERIOD ADJUSTMENT

The prior audit report inadvertently excluded an employer contribution made after the balance sheet date that should had been recorded (accrued) in the June 30, 2010 statement of net assets available for benefits as a receivable with a corresponding increase to employer contributions in the statement of changes in net assets available for benefits by a like amount. The adjustment has no effect on the net assets of the current period, although the amount increases the net assets available for benefits at the beginning of year as follows:

Employer contribution received this year that should have been recognized as a contribution made for the prior year	$ 130,905

Laredo Transit Management, Inc.

Defined Benefit Plan

Required Supplemental Information

Schedule of Assets Held for Investment Purposes at End of Year

June 30, 2011

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

Name of Plan:

► LTMI Defined Benefit Plan

Employer Identification Number:► 02-0668666

For plan year (beginning/ending):► 07/01/2010 - 06/30/2011 Plan number:► 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Wells Fargo Advantage Cash	Cash Equivalent	88,127.38	88,127.38
	Federated Total Return Bond	Corporate Bond	232,079.22	242,245.57
	Metropolitan West FDS Total Return Bond	Corporate Bond	151,690.89	160,760.44
	Wells Fargo Advantage Total Return Bond	Fixed Income Bond	374,197.09	383,726.99
	Goldman Sachs Small Cap Value Fund	Common Stock	85,559.24	129,982.18
	Harbor Int'l Fund	Common Stock	83,972.89	106,373.34
	Invesco Small Cap Growth Fund	Common Stock	99,602.73	132,579.74
	Janus Overseas Fund Class A Shares	Common Stock	84,849.33	94,341.47
	JP Morgan Small Cap Equity Fund	Common Stock	187,287.33	264,988.40
	Mainstay Large Cap Growth I Fund	Common Stock	155,119.96	192,944.96
	MFS Value Fund Class W	Common Stock	213,582.34	237,394.42
	T Rowe Price Equity Income	Common Stock	114,455.77	117,714.47
	Thornburg International Value Fund	Common Stock	89,250.65	107,181.41
	Wells Fargo Advantage Capital Growth Fund	Common Stock	323,300.25	383,212.93
	Wells Fargo Advantage Equity Value Fund	Common Stock	102,529.47	119,217.37
	Wells Fargo Advantage Growth Fund	Common Stock	135,082.94	196,437.12
			2,520,687.48	2,957,228.19

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

Age/Service	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	0	2	0	0	0	0	0	0	0	0	2
25 to 29	0	4	1	0	0	0	0	0	0	0	5
30 to 34	0	2	9	0	0	0	0	0	0	0	11
35 to 39	0	1	13	0	0	0	0	0	0	0	14
40 to 44	0	6	20	0	0	0	0	0	0	0	26
45 to 49	0	2	36	0	0	0	0	0	0	0	38
50 to 54	0	8	16	0	0	0	0	0	0	0	24
55 to 59	0	2	22	0	0	0	0	0	0	0	24
60 to 64	0	2	13	0	0	0	0	0	0	0	15
65 to 69	0	0	5	0	0	0	0	0	0	0	5
70 & Up	0	0	6	0	0	0	0	0	0	0	6
Total	0	29	141	0	0	0	0	0	0	0	170

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

Assumptions

Liability Discount Rate	
Interest Rate Basis for Minimum	Segment Rates: 4.26% / 6.56% / 6.70% (2 month lookback)
Interest Rate Basis for Maximum	Segment Rates: 4.26% / 6.56% / 6.70% (2 month lookback)
Effective Interest Rate	6.61%
Salary Scale	N/A
Increase for Pay and Benefit Limitations	0.00%
Plan Expenses	None
Assumed Normal Form of Payment	Single Life Annuity
Healthy Life Mortality	2010 Prescribed Combined Static Mortality Table
Rate of Termination	Sample rates of termination

Age	Rate
20 & Under	40%
25	30%
30	25%
35	17.5%
40	15%
45	12%
50	6%
55 – 60	3%
60 – 65	0%

Rate of Disablement	None
Rate of Retirement	100% at Normal Retirement Age The average weighted retirement age is 65.00
Marriage Assumption	100% of participants are assumed to be married. Males are assumed to be 3 years older than their spouses

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

Methods

Asset Valuation Method	Smoothed Value of Assets determined in accordance with IRS Notice 2009-22 using maximum allowable smoothing period and determination period equal to 1 year.
Actuarial Cost Method	Unit Credit in accordance with Pension Protection Act Requirements

Schedule H, Line 4j
Schedule of Reportable Transactions

Name of l Laredo Transit Management, Inc.
Employer Identification Number (EIN): ► 02-0668666 PN: ► 002
For the plan year beginning/ending: ► 07/01/2010 - 06/30/2011

(a) Identity of party involved	**(b)** Description of asset (include interest rate and maturity in case of a loan)	**(c)** Purchase Price	**(d)** Selling price	**(e)** Lease rental	**(f)** Expense incurred with transaction	**(g)** Cost of asset	**(h)** Current value of asset on transaction date	**(i)** Net gain or (loss)
	Wells Fargo Advantage Cash	(166,403)	-	n/a	-	166,403	-	-
	Wells Fargo Advantage Cash	-	167,099	n/a	-	167,099	-	-
	Wells Fargo Advantage Cash	(130,905)	-	n/a	-	130,905	-	-
	Wells Fargo Advantage Cash	(210,000)	-	n/a	-	210,000	-	-
	Wells Fargo Advantage Cash	-	186,981	n/a	-	186,981	-	-

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
LTMI DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LAREDO TRANSIT MANAGEMENT INC

D Employer Identification Number (EIN)
02-0668666

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 07 Day 01 Year 2010

2 Assets:

a	Market value	2a	2281905
b	Actuarial value	2b	2331705

3 Funding target/participant count breakdown

		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	8	77571
b	For terminated vested participants	3b	45	306048
c	For active participants:			
	(1) Non-vested benefits	3c(1)		36168
	(2) Vested benefits	3c(2)		2419599
	(3) Total active	3c(3)	170	2455767
d	Total	3d	223	2839386

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	

5	Effective interest rate	5	6.61%
6	Target normal cost	6	238992

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Valerie M. Zinzer 02/09/2012

Signature of actuary — Date

Valerie M. Zinzer — 1105786

Type or print name of actuary — Most recent enrollment number

Nova 401k Associates — 713-524-5192

Firm name — Telephone number (including area code)

10777 Northwest Freeway
Suite 440
Houston TX 77092

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	11537	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	7882	0
9	Amount remaining (Item 7 minus item 8)	3655	0
10	Interest on item 9 using prior year's actual return of 13.73%	502	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 6.75%		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections	0	
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	4157	0

Part III Funding percentages

14	Funding target attainment percentage	14	81.97%
15	Adjusted funding target attainment percentage	15	81.97%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	81.66%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/28/2011	210000	0			
07/14/2011	71000	0			
12/12/2011	49832	0			
12/14/2011	100	0			
			Totals ► 18(b)	330932	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	310310

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [X] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.26%	6.56%	6.70%	

b Applicable month (enter code) — **21b**: 2

22 Weighted average retirement age — **22**: 65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**		238992
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		398263	75406
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**		314398

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	4157	0	4157

36 Additional cash requirement (item 34 minus item 35)	**36**	310241
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	310310
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	69
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

The below is a very brief summary of the plan provisions. This summary should not be used for purposes of calculating benefits.

Plan Effective Date	July 1, 2003
Plan Year	From July 1st to June 30th
Eligibility	All employees not excluded by class are eligible to enter on the July 1 or January 1 coincident with or following the completion of 12 months of service and an employee has attained age 21.
Credited Service	For accrual purposes, a year of service will be credited for each Plan Year in which an employee works 1,000 hours of service. A maximum of 20 years will be credited for benefit accrual purposes. Service prior to July 1, 2003 will not be recognized for benefit accrual purposes.
Vesting Service	For vesting purposes, a year of service will be credited for each Plan Year in which an employee works 1,000 hours of service.
Plan Compensation	Generally, total compensation including amounts deferred under any 401(k) plan or 125 plan. Compensation is limited as required under section 401(a)(17) of the Internal Revenue Code.
Accrued Benefit	The Accrued Benefit for each Participant is determined based upon the unit accrual rule based on Years of Service.
Normal Retirement Age	Participants become eligible for normal retirement upon attainment of age 65.
Early Retirement Age	Participants become eligible for early retirement upon the attainment of age 50 and completion of 20 years of Credited Service.
Normal Retirement Benefit	The normal retirement benefit is the sum of the following: ▪ $52.08 multiplied by Years of Benefit Service earned prior to July 1, 2008, where service is not to exceed 20 years. ▪ $28.50 multiplied by Years of Benefit Service earned on or after July 1, 2008, where service is not to exceed 20 years reduced by service earned before July 1, 2008.
Early Retirement	A Participant's Early Retirement Benefit is a monthly pension benefit equal to his Accrued Benefit determined as of the Early Retirement Date, with no reduction.
Vested Termination	For Participants who entered before July 1, 2008, benefits vest upon entry into the Plan. For Participants who enter the plan on or after July 1, 2008, benefits vest upon five years of vesting service.
Pre-retirement Death Benefit	A participant's surviving spouse will be entitled to receive a death benefit if the Participant dies while employed and prior to the commencement of a monthly pension benefit.

Plan Name: LTMI Defined Benefit Plan
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	The Participant's Surviving Spouse, if any, will be entitled to receive a benefit equal to 50% of the Present Value of the Participant's Vested Accrued Benefit determined as of his date of death.
Total and Permanent Disability Benefit	A member is eligible for a disability benefit at the time of incurring a total disability while employed by the employer. Proof is required. Disability benefits are the Actuarial Equivalent to the Participant's Vested Accrued Benefit as of the date of disability, without reduction for commencement prior to age 65.
Forms of Benefit Payment	The normal form of benefit is a single life annuity Optional forms include: ▪ Life Annuity ▪ Life Annuity with 10 or 15 years guaranteed ▪ 50% Joint & Survivor ▪ 66.67% Joint & Survivor ▪ 75% Joint & Survivor ▪ Lump sums for the entire benefit if under $5,000

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

Name of Plan:

► LTMI Defined Benefit Plan

Employer Identification Number:► 02-0668666

For plan year (beginning/ending):► 07/01/2010 - 06/30/2011 Plan number:► 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Wells Fargo Advantage Cash	Cash Equivalent	88,127.38	88,127.38
	Federated Total Return Bond	Corporate Bond	232,079.22	242,245.57
	Metropolitan West FDS Total Return Bond	Corporate Bond	151,690.89	160,760.44
	Wells Fargo Advantage Total Return Bond	Fixed Income Bond	374,197.09	383,726.99
	Goldman Sachs Small Cap Value Fund	Common Stock	85,559.24	129,982.18
	Harbor Int'l Fund	Common Stock	83,972.89	106,373.34
	Invesco Small Cap Growth Fund	Common Stock	99,602.73	132,579.74
	Janus Overseas Fund Class A Shares	Common Stock	84,849.33	94,341.47
	JP Morgan Small Cap Equity Fund	Common Stock	187,287.33	264,988.40
	Mainstay Large Cap Growth I Fund	Common Stock	155,119.96	192,944.96
	MFS Value Fund Class W	Common Stock	213,582.34	237,394.42
	T Rowe Price Equity Income	Common Stock	114,455.77	117,714.47
	Thornburg International Value Fund	Common Stock	89,250.65	107,181.41
	Wells Fargo Advantage Capital Growth Fund	Common Stock	323,300.25	383,212.93
	Wells Fargo Advantage Equity Value Fund	Common Stock	102,529.47	119,217.37
	Wells Fargo Advantage Growth Fund	Common Stock	135,082.94	196,437.12
			2,520,687.48	2,957,228.19

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

Type of Base	Present Value	Initial Valuation Date	Years Remaining	Amortization Installment
Shortfall	115,935.92	7/1/2008	5	25,161.00
Shortfall	156,866.38	7/1/2009	6	29,400.00
Shortfall	125,460.15	7/1/2010	7	20,845.36
Total	398,262.45			75,406.36

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

Code	Date	Contribution Amount	Effective Rate	For Months	Quarterly Due	Effective Rate Plus 5%	For Months	Discounted Contribution
C	3/28/2011	68,928.00	6.61	3.45	10/15/2010	11.61	5.42	64,395.67
C	3/28/2011	68,928.00	6.61	6.45	1/15/2011	11.61	2.42	65,137.78
C	3/28/2011	72,144.00	6.61	8.87				68,809.86
C	7/14/2011	71,000.00	6.61	12.42				66,449.08
B	12/7/2011	4,556.26	6.61	17.19				4,157.00
C	12/12/2011	49,832.00	6.61	17.35				45,426.15
C	12/14/2011	100.00	6.61	17.42				91.13
Total Cont		330,932.00						310,309.67
Total Bal		4,556.26						4,157.00
Total		335,488.26						314,466.67

Code 'C' is a contribution, 'B' is a balance reduction

Schedule SB, line 22 – Description of Weighted Average Retirement Age

Plan Name: LTMI Defined Benefit Plan
EIN: 02-0668666 PN: 002

All participants are assumed to retire at age 65, or at the end of the current plan year. The weighted average retirement age of the plan is 65.

Age	Percent
65	100.0