# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**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;
- [ ] 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. . . . . ▶ [ ]

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
AIR-LAND TRANSPORT SERVICE, INC. 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 07/01/1989

**2a** Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

AIR-LAND TRANSPORT SERVICE, INC.

PO BOX 968
MORTON, IL 61550-9616

1020 W BIRCHWOOD
MORTON, IL 61550-9616

**2b** Employer Identification Number (EIN)
37-1079913

**2c** Sponsor's telephone number
309-673-1227

**2d** Business code (see instructions)
484120

**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. | 07/09/2012 | MICHELE KAUFFMAN |
| | **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")
AIR-LAND TRANSPORT SERVICE, INC.

PO BOX 968
MORTON, IL 61550-9616

**3b** Administrator's EIN
37-1079913

**3c** Administrator's telephone number
309-673-1227

**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** | 136 |
| **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** | 131 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 14 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 145 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 145 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 68 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan 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)** | | **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)** | | **A** (Insurance Information) |
| **(4)** | X | **C** (Service Provider Information) |
| **(5)** | | **D** (DFE/Participating Plan Information) |
| **(6)** | | **G** (Financial Transaction Schedules) |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2011**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
AIR-LAND TRANSPORT SERVICE, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
AIR-LAND TRANSPORT SERVICE, INC.

**D** Employer Identification Number (EIN)
37-1079913

## 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).. . . . . [X] Yes [ ] No

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

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

FID.INV.INST.OPS.CO.

04-2647786

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

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

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

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

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

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

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

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

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

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

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 65 60 | RECORDKEEPER | 5125 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] 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 [ ] |

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

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

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ 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 |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| JANUS OVERSEAS S - JANUS SERVICES L<br><br>43-1804048 | 0.50% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MFS VALUE R3 - MFS SERVICE CENTER I<br><br>04-2865649 | 0.50% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MSIF MID CAP GRTH P - MORGAN STANLE<br><br>13-3799749 | 0.35% |

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PIMCO LOW DUR ADM - BOSTON FINANCIA<br><br>04-2526037 | 0.26% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PIMCO TOT RETURN ADM - BOSTON FINAN<br><br>04-2526037 | 0.26% |

| **(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

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
AIR-LAND TRANSPORT SERVICE, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
AIR-LAND TRANSPORT SERVICE, INC.

**D** Employer Identification Number (EIN)
37-1079913

## 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) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 774068 | 607202 |
| **(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) | 1709196 | 1592085 |
| **(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 | 2483264 | 2199287 |
| **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 | 2483264 | 2199287 |

## 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) | 35012 | |
| **(B)** Participants | 2a(1)(B) | 127533 | |
| **(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) | | 162545 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 72 | |
| **(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) | | 72 |
| **(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) | 50883 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 50883 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | |

| | | (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) | | |
| (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) | | -95611 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 117889 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 426430 | |
| (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) | | 426430 |
| 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) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 5259 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 5259 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 431689 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | -313800 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 29823 |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: HEINOLD-BANWART, LTD. (2) EIN: 37-1196235

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 | | 450000 |
| **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** | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | **4n** | | X | |

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

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

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

# 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

**2011**

**This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
AIR-LAND TRANSPORT SERVICE, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
AIR-LAND TRANSPORT SERVICE, INC.

**D** Employer Identification Number (EIN)
37-1079913

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 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 (include any prior year accumulated funding deficiency not waived) ..... **6a**

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

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

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

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

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **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. 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): _____

**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):

# AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
# FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2011 AND 2010

TABLE OF CONTENTS


| | Page Number |
|---|---|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statements of Net Assets Available for Benefits | 2 |
| Statements of Changes in Net Assets Available for Benefits | 3 |
| Notes to Financial Statements | 4 |
| SUPPLEMENTARY INFORMATION | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 10 |

HEINOLD-BANWART, LTD.
Certified Public Accountants

Riverfront Office Center 2400 N. Main Street East Peoria, IL 61611-1795 Tel 309.694.4251 Fax 309.694.4202

# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Air-Land Transport Service, Inc. 401(k) Plan
Morton, Illinois

We were engaged to audit the financial statements of **Air-Land Transport Service, Inc. 401(k) Plan** as of December 31, 2011 and 2010, and for the years then ended and the supplemental schedule as of and for the year ended December 31, 2011 as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's management.

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 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with related information included in the financial statements and the supplemental schedule. 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 December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Heinold-Banwart, Ltd.

July 2, 2012

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| ASSETS | | |
| Participant directed | | |
| Investments at fair value | $ 2,199,287 | $ 2,483,264 |
| Receivables | | |
| Employer's contributions | 1,352 | - |
| Participants' contributions | 2,246 | 1,909 |
| | 3,598 | 1,909 |
| Total assets | 2,202,885 | 2,485,173 |
| LIABILITIES | | |
| Accounts payable and other | - | - |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 2,202,885 | $ 2,485,173 |

See accompanying notes.

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| Investment income | | |
| Net appreciation (depreciation) in fair value of mutual funds | $ (44,656) | $ 228,861 |
| Transfer from related plan | 29,823 | - |
| Contributions | | |
| Employer's | 36,364 | - |
| Participants' | 127,870 | 128,581 |
| Total contributions | 164,234 | 128,581 |
| Total additions | 149,401 | 357,442 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefits paid to participants | 426,430 | 974,768 |
| Administrative expenses | 5,259 | 5,344 |
| Total deductions | 431,689 | 980,112 |
| NET DECREASE | (282,288) | (622,670) |
| NET ASSETS AVAILABLE FOR BENEFITS | | |
| Beginning of year | 2,485,173 | 3,107,843 |
| End of year | $ 2,202,885 | $ 2,485,173 |

See accompanying notes.

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS

## NOTE 1. DESCRIPTION OF PLAN

The following description of the Air-Land Transport Service, Inc. 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering all employees of Air-Land Transport Service, Inc. and Management Investment Corporation (Companies) who have attained age 18 and completed three months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Contributions

Participants may contribute up to 90% of their annual compensation, subject to certain Internal Revenue Code limitations. Participants may make modifications to their contributions monthly and terminate their contributions at their discretion. The Companies may make a discretionary matching contribution. The Companies made a discretionary matching contribution of $36,364 for the year ended December 31, 2011. The Companies did not make a discretionary matching contribution for the year ended December 31, 2010. Also the Companies may make a discretionary profit sharing contribution. No profit sharing contributions were made for the years ended December 31, 2011 and 2010.

### Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and an allocation of Plan earnings. The allocations of Plan earnings are based on the performance of the participants' individual investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Vesting

Participants are vested immediately in their voluntary contributions plus actual earnings thereon. Vesting in the Companies contributions and earnings thereon is based on years of service. The participant is fully vested after three years of credited service from the date of employment for the discretionary profit share and the employer matching contributions. In addition, participants become 100% vested upon normal retirement age, death or disability.

### Payment of Benefits

Upon termination of service a participant will receive an amount equal to the value of his or her account in a lump sum payment in cash.

Participant Loans

The Plan does not allow participants to borrow from the Plan.

Forfeited Accounts

Forfeited non-vested accounts are first used to reduce administrative expenses of the Plan and then used to reduce employer contributions. Forfeitures of $5,000 and $5,040 were used to reduce administrative expenses for the years ended December 31, 2011 and 2010, respectively. There were no forfeitures used to reduce employer contributions for the years ended December 31, 2011 and 2010. Unused forfeitures included in net assets available for benefit were $999 and $5,994 as of December 31, 2011 and 2010, respectively.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants are 100 percent vested in their accounts.

Tax Status

The Companies amended the Plan to change its name to the Air-Land Transport Service, Inc. 401(k) Plan and to adopt the Fidelity Nonstandardized Profit Sharing/401(k) Plan on December 30, 2005. The prototype plan provider has received a favorable determination letter for the prototype plan dated March 31, 2008. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Administrative Expenses

Significant costs of Plan administration are currently paid by the employer.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation

The Plan has entered into a deposit contract with Fidelity Management Trust Company. As directed by the participants, the funds are invested in permissible investment options consisting of Fidelity equity, money market, and bond funds. All deposits are stated at fair value based on quoted market prices. See Note 7 for discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Subsequent Events

The Plan has evaluated subsequent events through July 2, 2012, the date which the financial statements were available to be issued and has determined there are no subsequent events that require recognition or disclosure in these financial statements.

## NOTE 3. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the financial statements was obtained from data that has been prepared and certified as complete and accurate by the trustee:

| | 2011 | 2010 |
|---|---|---|
| Investments at fair value: | $ 2,199,287 | $ 2,483,264 |
| Net appreciation (depreciation) in fair value of mutual funds | (44,656) | 228,861 |

## NOTE 4. INVESTMENTS

The Plan has entered into a deposit contract with Fidelity Management Group (Fidelity). Participants may select from various investment options offered by the Fidelity Group of Mutual Funds in which to invest their account balances on a daily basis. Participant accounts are charged for Plan withdrawals and administrative expenses incurred by Fidelity.

Investments in mutual funds are carried at fair value, as determined by quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The following presents investments that represent 5% or more of the Plan's net assets:

| | 2011 | 2010 |
|---|---|---|
| Fidelity Freedom 2020 | $ 127,777 | $ - |
| Fidelity Retirement Money Market | 607,202 | 774,068 |
| Fidelity Contra Fund | 185,687 | 215,171 |
| Fidelity Mid Cap Stock | - | 151,460 |
| Fidelity Freedom 2025 | 152,919 | 142,427 |
| Fidelity Growth Company | 116,540 | - |

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by $(44,656) and $228,861, respectively, as follows:

| | 2011 | 2010 |
|---|---|---|
| Mutual funds | $ (44,656) | $ 228,861 |

NOTE 5. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of employer contributions and employee contributions for the Air-Land Transport Service, Inc. 401(k) Plan:

| | 2011 | 2010 |
|---|---|---|
| Employer Contributions | | |
| Employer contributions per the financial statements | $ 36,364 | $ - |
| Less: Employer contribution receivable at end of year | (1,352) | - |
| Plus: Employer contribution receivable at beginning of year | - | - |
| Employer contributions per the Form 5500 | $ 35,012 | $ - |
| Employee Contributions | | |
| Employee contributions per the financial statements | $ 127,870 | $ 128,581 |
| Less: Employee contribution receivable at end of year | (2,246) | (1,909) |
| Plus: Employee contribution receivable at beginning of year | 1,909 | 2,247 |
| Employee contributions per the Form 5500 | $ 127,533 | $ 128,919 |

NOTE 6. TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan's transactions with parties-in-interest during the years ended December 31, 2011 and 2010 were as follows:

| Party-in-interest | Description of Transactions | Amount |
|---|---|---|
| Fidelity Management Trust Company | Plan trustee and investment manager | Investment earnings are reported net of expenses. |
| Air-Land Transport Service, Inc. | Plan sponsor | Contributions made of $36,364 and $0 for 2011 and 2010, respectively. |

NOTE 7. FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 from prior year.

*Shares of registered investment companies:* Valued daily at unit values based on the price from each fund house after the close of the stock market. The unit values include the net asset value and any dividends or capital gains declared.

The preceding methods described may produce a fair value calculation 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 following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| December 31, 2011 | | | | |
| Fixed income funds | $ 741,562 | $ 741,562 | $ - | $ - |
| Domestic equity funds | 845,745 | 845,745 | - | - |
| International equity funds | 73,336 | 73,336 | - | - |
| Target retirement funds | 538,644 | 538,644 | - | - |
| | $ 2,199,287 | $ 2,199,287 | $ - | $ - |

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| December 31, 2010 | | | | |
| Fixed income funds | $ 923,538 | $ 923,538 | $ - | $ - |
| Domestic equity funds | 886,172 | 886,172 | - | - |
| International equity funds | 101,448 | 101,448 | - | - |
| Target retirement funds | 572,106 | 572,106 | - | - |
| | $ 2,483,264 | $ 2,483,264 | $ - | $ - |

SUPPLEMENTARY INFORMATION

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

Employer identification number: 37-1079913 Plan number: 001

| (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 | Units | (d) Cost | (e) Current Value |
|---|---|---|---|---|---|
| * | Fidelity | Fidelity | 265.028 | $ 7,425 | $ 8,256 |
| * | Fidelity | Puritan | 2,640.124 | 47,725 | 46,704 |
| * | Fidelity | Value Strategies | 176.490 | 5,516 | 4,425 |
| * | Fidelity | Contrafund | 2,752.549 | 177,457 | 185,687 |
| * | Fidelity | Equity Income | 728.839 | 36,139 | 30,108 |
| * | Fidelity | Growth Company | 1,440.727 | 116,800 | 116,540 |
| * | Fidelity | Value Strategies | 756.173 | 54,078 | 47,994 |
| * | Fidelity | OTC Portfolio | 76.371 | 3,155 | 4,177 |
| * | Fidelity | Real Estate Investment | 510.122 | 15,564 | 14,090 |
| * | Fidelity | International Discovery | 848.126 | 25,583 | 23,417 |
| * | Fidelity | Blue Chip Growth | 1,206.515 | 52,302 | 51,192 |
| * | Fidelity | Dividend Growth | 1,407.265 | 40,278 | 36,406 |
| * | Fidelity | Exp and Multinational | 3,855.404 | 82,677 | 79,730 |
| * | Fidelity | Mid Cap Stock | 3,668.878 | 101,432 | 97,812 |
| * | Fidelity | Large Cap Stock | 1,033.506 | 16,229 | 17,725 |
| * | Fidelity | Freedom 2000 | 210.902 | 2,384 | 2,505 |
| * | Fidelity | Freedom 2010 | 197.627 | 2,419 | 2,589 |
| * | Fidelity | Freedom 2020 | 9,739.127 | 138,577 | 127,777 |
| * | Fidelity | Freedom 2030 | 6,710.582 | 95,301 | 86,164 |
| * | Fidelity | Small Cap Discovery | 735.671 | 12,135 | 14,735 |
| | Spartan | Total Market Index | 244.675 | 7,506 | 8,838 |
| | Spartan | Extended Market Index | 268.419 | 9,262 | 9,518 |
| * | Fidelity | High Income | 7,939.728 | 69,641 | 68,599 |
| * | Fidelity | Retirement Money Market | 607,201.820 | 607,202 | 607,202 |
| * | Fidelity | Freedom 2040 | 10,141.017 | 80,148 | 74,638 |
| * | Fidelity | Freedom 2015 | 3,812.656 | 40,944 | 41,672 |
| * | Fidelity | Freedom 2025 | 14,146.065 | 154,388 | 152,919 |
| * | Fidelity | Freedom 2035 | 4,573.040 | 49,573 | 48,246 |
| * | Fidelity | Small Cap Value | 3,915.082 | 50,906 | 54,733 |
| * | Fidelity | Freedom 2045 | 245.525 | 2,207 | 2,134 |
| | Pimco | Total Return ADM | 5,404.539 | 61,529 | 58,747 |
| | MSIF | Mid Cap Growth | 270.655 | 8,886 | 8,599 |
| | Pimco | Low Dur ADM | 681.598 | 7,202 | 7,014 |
| | MFS | Value R3 | 379.766 | 7,961 | 8,476 |
| | Janus | Overseas | 1,595.869 | 72,194 | 49,919 |
| | | | | | $ 2,199,287 |

* - Indicates party-in-interest

# AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
# FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2011 AND 2010

TABLE OF CONTENTS


| | Page Number |
|---|---|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| Statements of Net Assets Available for Benefits | 2 |
| Statements of Changes in Net Assets Available for Benefits | 3 |
| Notes to Financial Statements | 4 |
| SUPPLEMENTARY INFORMATION | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 10 |

HEINOLD-BANWART, LTD.
Certified Public Accountants

Riverfront Office Center 2400 N. Main Street East Peoria, IL 61611-1795 Tel 309.694.4251 Fax 309.694.4202

# INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Air-Land Transport Service, Inc. 401(k) Plan
Morton, Illinois

We were engaged to audit the financial statements of **Air-Land Transport Service, Inc. 401(k) Plan** as of December 31, 2011 and 2010, and for the years then ended and the supplemental schedule as of and for the year ended December 31, 2011 as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's management.

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 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with related information included in the financial statements and the supplemental schedule. 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 December 31, 2011 and 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Heinold-Banwart, Ltd.

July 2, 2012

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| ASSETS | | |
| Participant directed | | |
| Investments at fair value | $ 2,199,287 | $ 2,483,264 |
| Receivables | | |
| Employer's contributions | 1,352 | - |
| Participants' contributions | 2,246 | 1,909 |
| | 3,598 | 1,909 |
| Total assets | 2,202,885 | 2,485,173 |
| LIABILITIES | | |
| Accounts payable and other | - | - |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 2,202,885 | $ 2,485,173 |

See accompanying notes.

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| Investment income | | |
| Net appreciation (depreciation) in fair value of mutual funds | $ (44,656) | $ 228,861 |
| Transfer from related plan | 29,823 | - |
| Contributions | | |
| Employer's | 36,364 | - |
| Participants' | 127,870 | 128,581 |
| Total contributions | 164,234 | 128,581 |
| Total additions | 149,401 | 357,442 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefits paid to participants | 426,430 | 974,768 |
| Administrative expenses | 5,259 | 5,344 |
| Total deductions | 431,689 | 980,112 |
| NET DECREASE | (282,288) | (622,670) |
| NET ASSETS AVAILABLE FOR BENEFITS | | |
| Beginning of year | 2,485,173 | 3,107,843 |
| End of year | $ 2,202,885 | $ 2,485,173 |

See accompanying notes.

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS

## NOTE 1. DESCRIPTION OF PLAN

The following description of the Air-Land Transport Service, Inc. 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering all employees of Air-Land Transport Service, Inc. and Management Investment Corporation (Companies) who have attained age 18 and completed three months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Contributions

Participants may contribute up to 90% of their annual compensation, subject to certain Internal Revenue Code limitations. Participants may make modifications to their contributions monthly and terminate their contributions at their discretion. The Companies may make a discretionary matching contribution. The Companies made a discretionary matching contribution of $36,364 for the year ended December 31, 2011. The Companies did not make a discretionary matching contribution for the year ended December 31, 2010. Also the Companies may make a discretionary profit sharing contribution. No profit sharing contributions were made for the years ended December 31, 2011 and 2010.

### Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and an allocation of Plan earnings. The allocations of Plan earnings are based on the performance of the participants' individual investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Vesting

Participants are vested immediately in their voluntary contributions plus actual earnings thereon. Vesting in the Companies contributions and earnings thereon is based on years of service. The participant is fully vested after three years of credited service from the date of employment for the discretionary profit share and the employer matching contributions. In addition, participants become 100% vested upon normal retirement age, death or disability.

### Payment of Benefits

Upon termination of service a participant will receive an amount equal to the value of his or her account in a lump sum payment in cash.

Participant Loans

The Plan does not allow participants to borrow from the Plan.

Forfeited Accounts

Forfeited non-vested accounts are first used to reduce administrative expenses of the Plan and then used to reduce employer contributions. Forfeitures of $5,000 and $5,040 were used to reduce administrative expenses for the years ended December 31, 2011 and 2010, respectively. There were no forfeitures used to reduce employer contributions for the years ended December 31, 2011 and 2010. Unused forfeitures included in net assets available for benefit were $999 and $5,994 as of December 31, 2011 and 2010, respectively.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants are 100 percent vested in their accounts.

Tax Status

The Companies amended the Plan to change its name to the Air-Land Transport Service, Inc. 401(k) Plan and to adopt the Fidelity Nonstandardized Profit Sharing/401(k) Plan on December 30, 2005. The prototype plan provider has received a favorable determination letter for the prototype plan dated March 31, 2008. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Administrative Expenses

Significant costs of Plan administration are currently paid by the employer.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation

The Plan has entered into a deposit contract with Fidelity Management Trust Company. As directed by the participants, the funds are invested in permissible investment options consisting of Fidelity equity, money market, and bond funds. All deposits are stated at fair value based on quoted market prices. See Note 7 for discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Subsequent Events

The Plan has evaluated subsequent events through July 2, 2012, the date which the financial statements were available to be issued and has determined there are no subsequent events that require recognition or disclosure in these financial statements.

## NOTE 3. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the financial statements was obtained from data that has been prepared and certified as complete and accurate by the trustee:

| | 2011 | 2010 |
|---|---|---|
| Investments at fair value: | $ 2,199,287 | $ 2,483,264 |
| Net appreciation (depreciation) in fair value of mutual funds | (44,656) | 228,861 |

## NOTE 4. INVESTMENTS

The Plan has entered into a deposit contract with Fidelity Management Group (Fidelity). Participants may select from various investment options offered by the Fidelity Group of Mutual Funds in which to invest their account balances on a daily basis. Participant accounts are charged for Plan withdrawals and administrative expenses incurred by Fidelity.

Investments in mutual funds are carried at fair value, as determined by quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The following presents investments that represent 5% or more of the Plan's net assets:

| | 2011 | 2010 |
|---|---|---|
| Fidelity Freedom 2020 | $ 127,777 | $ - |
| Fidelity Retirement Money Market | 607,202 | 774,068 |
| Fidelity Contra Fund | 185,687 | 215,171 |
| Fidelity Mid Cap Stock | - | 151,460 |
| Fidelity Freedom 2025 | 152,919 | 142,427 |
| Fidelity Growth Company | 116,540 | - |

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by $(44,656) and $228,861, respectively, as follows:

| | 2011 | 2010 |
|---|---|---|
| Mutual funds | $ (44,656) | $ 228,861 |

NOTE 5. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of employer contributions and employee contributions for the Air-Land Transport Service, Inc. 401(k) Plan:

| | 2011 | 2010 |
|---|---|---|
| Employer Contributions | | |
| Employer contributions per the financial statements | $ 36,364 | $ - |
| Less: Employer contribution receivable at end of year | (1,352) | - |
| Plus: Employer contribution receivable at beginning of year | - | - |
| Employer contributions per the Form 5500 | $ 35,012 | $ - |
| Employee Contributions | | |
| Employee contributions per the financial statements | $ 127,870 | $ 128,581 |
| Less: Employee contribution receivable at end of year | (2,246) | (1,909) |
| Plus: Employee contribution receivable at beginning of year | 1,909 | 2,247 |
| Employee contributions per the Form 5500 | $ 127,533 | $ 128,919 |

NOTE 6. TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan's transactions with parties-in-interest during the years ended December 31, 2011 and 2010 were as follows:

| Party-in-interest | Description of Transactions | Amount |
|---|---|---|
| Fidelity Management Trust Company | Plan trustee and investment manager | Investment earnings are reported net of expenses. |
| Air-Land Transport Service, Inc. | Plan sponsor | Contributions made of $36,364 and $0 for 2011 and 2010, respectively. |

NOTE 7. FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 from prior year.

*Shares of registered investment companies:* Valued daily at unit values based on the price from each fund house after the close of the stock market. The unit values include the net asset value and any dividends or capital gains declared.

The preceding methods described may produce a fair value calculation 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 following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| December 31, 2011 | | | | |
| Fixed income funds | $ 741,562 | $ 741,562 | $ - | $ - |
| Domestic equity funds | 845,745 | 845,745 | - | - |
| International equity funds | 73,336 | 73,336 | - | - |
| Target retirement funds | 538,644 | 538,644 | - | - |
| | $ 2,199,287 | $ 2,199,287 | $ - | $ - |

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| December 31, 2010 | | | | |
| Fixed income funds | $ 923,538 | $ 923,538 | $ - | $ - |
| Domestic equity funds | 886,172 | 886,172 | - | - |
| International equity funds | 101,448 | 101,448 | - | - |
| Target retirement funds | 572,106 | 572,106 | - | - |
| | $ 2,483,264 | $ 2,483,264 | $ - | $ - |

SUPPLEMENTARY INFORMATION

AIR-LAND TRANSPORT SERVICE, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

Employer identification number: 37-1079913 Plan number: 001

| (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 | Units | (d) Cost | (e) Current Value |
|---|---|---|---|---|---|
| * | Fidelity | Fidelity | 265.028 | $ 7,425 | $ 8,256 |
| * | Fidelity | Puritan | 2,640.124 | 47,725 | 46,704 |
| * | Fidelity | Value Strategies | 176.490 | 5,516 | 4,425 |
| * | Fidelity | Contrafund | 2,752.549 | 177,457 | 185,687 |
| * | Fidelity | Equity Income | 728.839 | 36,139 | 30,108 |
| * | Fidelity | Growth Company | 1,440.727 | 116,800 | 116,540 |
| * | Fidelity | Value Strategies | 756.173 | 54,078 | 47,994 |
| * | Fidelity | OTC Portfolio | 76.371 | 3,155 | 4,177 |
| * | Fidelity | Real Estate Investment | 510.122 | 15,564 | 14,090 |
| * | Fidelity | International Discovery | 848.126 | 25,583 | 23,417 |
| * | Fidelity | Blue Chip Growth | 1,206.515 | 52,302 | 51,192 |
| * | Fidelity | Dividend Growth | 1,407.265 | 40,278 | 36,406 |
| * | Fidelity | Exp and Multinational | 3,855.404 | 82,677 | 79,730 |
| * | Fidelity | Mid Cap Stock | 3,668.878 | 101,432 | 97,812 |
| * | Fidelity | Large Cap Stock | 1,033.506 | 16,229 | 17,725 |
| * | Fidelity | Freedom 2000 | 210.902 | 2,384 | 2,505 |
| * | Fidelity | Freedom 2010 | 197.627 | 2,419 | 2,589 |
| * | Fidelity | Freedom 2020 | 9,739.127 | 138,577 | 127,777 |
| * | Fidelity | Freedom 2030 | 6,710.582 | 95,301 | 86,164 |
| * | Fidelity | Small Cap Discovery | 735.671 | 12,135 | 14,735 |
| | Spartan | Total Market Index | 244.675 | 7,506 | 8,838 |
| | Spartan | Extended Market Index | 268.419 | 9,262 | 9,518 |
| * | Fidelity | High Income | 7,939.728 | 69,641 | 68,599 |
| * | Fidelity | Retirement Money Market | 607,201.820 | 607,202 | 607,202 |
| * | Fidelity | Freedom 2040 | 10,141.017 | 80,148 | 74,638 |
| * | Fidelity | Freedom 2015 | 3,812.656 | 40,944 | 41,672 |
| * | Fidelity | Freedom 2025 | 14,146.065 | 154,388 | 152,919 |
| * | Fidelity | Freedom 2035 | 4,573.040 | 49,573 | 48,246 |
| * | Fidelity | Small Cap Value | 3,915.082 | 50,906 | 54,733 |
| * | Fidelity | Freedom 2045 | 245.525 | 2,207 | 2,134 |
| | Pimco | Total Return ADM | 5,404.539 | 61,529 | 58,747 |
| | MSIF | Mid Cap Growth | 270.655 | 8,886 | 8,599 |
| | Pimco | Low Dur ADM | 681.598 | 7,202 | 7,014 |
| | MFS | Value R3 | 379.766 | 7,961 | 8,476 |
| | Janus | Overseas | 1,595.869 | 72,194 | 49,919 |
| | | | | | $ 2,199,287 |

* - Indicates party-in-interest