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
FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 09/01/1989

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

FLAGLER SYSTEM, INC.

P.O. BOX 910
PALM BEACH, FL 33480

2b Employer Identification Number (EIN) 65-0118212

2c Sponsor's telephone number 561-655-6611

2d Business code (see instructions) 721110

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.	07/25/2012	PAUL N. LEONE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/25/2012	ALEX P. GILMURRAY
	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")
FLAGLER SYSTEM, INC.

P.O. BOX 910
PALM BEACH, FL 33480

3b Administrator's EIN
65-0118212

3c Administrator's telephone number
561-655-6611

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**	1870
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**	1596
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	278
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1874
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	10
f	Total. Add lines **6d** and **6e**	**6f**	1884
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1195
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	69
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:
2J

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)	X	**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 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.**	**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
FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FLAGLER SYSTEM, INC.

D Employer Identification Number (EIN)
65-0118212

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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(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)

T. ROWE PRICE RPS, INC.

4515 PAINTERS MILL ROAD
OWINGS MILLS, MD 21117

52-1714114

(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?
24	NONE	13706	Yes [ ] No [X]	Yes [ ] No [X]	0	Yes [ ] No [X]

(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
(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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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.**

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
FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
FLAGLER SYSTEM, INC.

D Employer Identification Number (EIN)
65-0118212

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE STABLE VALUE FUND

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
52-1309931-001	C	10040915

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

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
FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FLAGLER SYSTEM, INC.

D Employer Identification Number (EIN)
65-0118212

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)	479523	403675
(2) Participant contributions	1b(2)	89692	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	1912679	2346437
(9) Value of interest in common/collective trusts	1c(9)	9223613	10040915
(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)	34051910	34643187
(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	45757417	47434214
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	29011	28676
k Total liabilities (add all amounts in lines 1g through1j)	1k	29011	28676
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	45728406	47405538

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)	1571820	
(B) Participants	2a(1)(B)	2874947	
(C) Others (including rollovers)	2a(1)(C)	111928	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4558695
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	90777	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		90777
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	1458406	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1458406
(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)	-1543015	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-1543015
	(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)		
c	Other income	2c		
d	Total income. Add all **income** amounts in column (b) and enter total	2d		4564863
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2878008	
	(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)		2878008
f	Corrective distributions (see instructions)	2f		-3983
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)	13706	
	(3) Investment advisory and management fees	2i(3)		
	(4) Other	2i(4)		
	(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		13706
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2887731
	Net Income and Reconciliation			
k	Net income (loss). Subtract line **2j** from line **2d**	2k		1677132
l	Transfers of assets:			
	(1) To this plan	2l(1)		
	(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)** ☒ 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: TEMPLETON & COMPANY LLP **(2)** EIN: 14-1918990

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		1000000
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
FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
FLAGLER SYSTEM, INC.

D Employer Identification Number (EIN)
65-0118212

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**

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): _____ _____

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** 197

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):

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

Table of Contents

	Page
Report of independent auditors	1
Financial statements:	
Statements of net assets available for plan benefits	2
Statements of changes in net assets available for plan benefits	3
Notes to financial statements	4–10
Supplemental schedules:	
Schedule H, line 4i – schedule of assets held for investment purposes at end of year	11
Schedule H, line 4j – schedule of reportable transactions	12

templeton
& COMPANY
Certified Public Accountants and Consultants

Report of Independent Auditors

To the Participants of Flagler System, Inc. Employees' Savings and Retirement Plan and the Benefits and Compensation Committee of the Board of Directors of Flagler System, Inc.

We were engaged to audit the financial statements and supplemental schedules of Flagler System, Inc. Employees' Savings and Retirement Plan (the Plan) as of December 31, 2011 and 2010 and for the years then ended, as listed in the accompanying table of contents. These financial statements and schedules 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 T. Rowe Price Trust Company, the custodian of the 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 custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the custodian as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the custodian 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 schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, 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.

Templeton & Company, LLP

West Palm Beach, Florida
April 24, 2012

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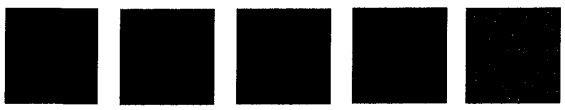

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
December 31, 2011 and 2010

ASSETS

	2011	2010
Investments, at fair value	$ 45,046,929	$ 43,621,405
Participant notes receivable	2,346,437	1,912,679
Receivables:		
Employer contributions	403,675	473,413
Participant contributions	-	95,802
Total assets	47,797,041	46,103,299

LIABILITIES AND NET ASSETS

Refunds payable for excess contributions	28,676	29,011
Net assets available for plan benefits at fair value	47,768,365	46,074,288
Adjustment from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	(362,827)	(345,882)
Net assets available for plan benefits	$ 47,405,538	$ 45,728,406

See notes to financial statements.

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
For the Years Ended December 31, 2011 and 2010

	2011	2010
Additions to net assets attributed to:		
Investment income:		
Net realized gains (losses) and appreciation (depreciation) in fair value of investments	$ (1,543,015)	$ 4,715,065
Interest and dividends	1,549,183	713,110
	6,168	5,428,175
Contributions and transfers:		
Participants	2,874,947	2,914,746
Employer	1,571,820	1,516,408
Rollover transfers from other plans	111,928	51,130
	4,558,695	4,482,284
Net additions	4,564,863	9,910,459
Deductions from net assets attributed to:		
Benefits paid to participants	2,887,731	2,050,806
Net increase in net assets	1,677,132	7,859,653
Net assets available for plan benefits:		
Beginning of year	45,728,406	37,868,753
End of year	$ 47,405,538	$ 45,728,406

See notes to financial statements.

Note 1 – Description of Plan

The following description of the Flagler System, Inc. Employees' Savings and Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established on September 1, 1989 as a defined contribution plan covering all employees of Flagler System, Inc. and its subsidiaries (the Company), who have three months of service and are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants in the Plan may contribute an amount not to exceed 25% of their pretax annual compensation within the limits prescribed by the Internal Revenue Service (the IRS). Participants may also contribute amounts representing distributions from other qualified defined-benefit or contribution plans. For the years ended December 31, 2011 and 2010, individual participants' contributions were limited to $16,500. Participants who are age 50 and older may also contribute an additional $5,500 on an annual basis. The Company's matching contributions for the years ended December 31, 2011 and 2010 were up to a maximum of 4% of the participant's salary in both years.

Participant accounts

Each participant account is credited with the participant's contribution and allocations of: (a) the Company's contribution and (b) Plan earnings or losses. Allocations of fund net earnings or losses are based on the participants' account balances as of the end of each quarter. All participant contributions are participant-directed and may be invested in one fund or allocated among different funds. Participants may change the allocation of contributions among funds pursuant to Plan provisions.

Investment options

A participant may direct employee contributions into any of the following investment options:

- *T. Rowe Price Stable Value Fund* – This fund consists of a guaranteed principal fund with the objective of returning a fixed rate of income over a stated period of time.
- *T. Rowe Price Equity Income Fund* – This fund consists of investments with the primary objective of providing high current income while conserving capital and seeking long-term capital growth.
- *T. Rowe Price Growth Stock Fund* – This fund consists of investments with the primary objective of long-term capital growth.
- *T. Rowe Price New Horizons Fund* – This fund consists of investments with the primary objective of capital appreciation by investing in common stocks of small, rapidly growing companies.
- *T. Rowe Price Mid-Cap Growth Fund* – This fund consists of investments with the primary objective of capital appreciation by investing in common stocks of mid-size companies.

Note 1 – Description of Plan, Continued

Investment options, continued

- *T. Rowe Price International Stock Fund* – This fund consists of investments in common stocks of non-US companies with the primary objective of long-term capital growth.
- *T. Rowe Price Spectrum Income Fund* – This fund consists of investments with the primary objective of providing a high level of current income and preservation of capital.
- *T. Rowe Price Equity Index 500 Fund* – This fund seeks to match the performance of the Standard & Poor's 500 Stock Index®.
- *T. Rowe Price Retirement Date Funds* – Each of these funds consists of a diversified portfolio of stocks, bonds and cash for investors who have a specific target date identified for retirement. These funds seek to provide investors with optimal returns based upon a target retirement date and include target retirement dates ranging from 2005-2055.
- *T. Rowe Price Retirement Income Fund* – This fund consists of a specifically diversified portfolio of T. Rowe Price mutual funds with the primary objective of providing capital growth and income.

Participants may change their investment options daily.

Allocation and vesting of benefits

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts, plus any earnings thereon, is based upon the number of years of continuous service. Participant accounts vest at a rate of 20% per year of service and become 100% vested after five years of credited service.

Forfeitures

Nonvested employer contributions forfeited by participants are used to reduce future employer contributions. Total forfeitures utilized to reduce employer contributions for the years ended December 31, 2011 and 2010 approximated $105,000 and $127,000, respectively.

Payments of benefits

Upon termination of service for any reason or resulting from death, disability, or retirement, a participant may elect one of the following forms of distribution if the total value of the participant's vested account is greater than $5,000 (excluding the balance of the participant's rollover contribution subaccount, if any): (a) an amount equal to the value of the participant's vested interest in his or her account in a single lump-sum payment, (b) in the form of a paid-up nontransferable annuity contract for the participant's life expectancy or the joint and survivor life expectancies of the participant and participant's beneficiary, or (c) roll-over to another qualified plan. If the total value of a participant's vested account is $5,000 or less, the entire vested account balance will be distributed to the participant in a single payment within a reasonable period of time.

Note 1 – Description of Plan, Continued

Participant notes receivable

Plan participants may borrow from their fund accounts a minimum of $1,000 and up to the lesser of 50% of the value of the participant's vested interest in his or her account or $50,000. Loan originations and repayments are treated as transfers between investment funds and the participant's loan fund. Loan terms may not exceed five years, except in the case of loans for the purchase of a primary residence which may have terms of up to 15 years. The loans are secured by the balance in a participant's account and bear interest at the prevailing interest rate, as determined by the Plan Administrator. Interest rates range from 4.3% to 10.5%. Principal and interest are collected ratably through monthly payroll deductions.

Plan administration

The Plan is administered by the Company. The Plan's assets are maintained by T. Rowe Price Trust Company (T. Rowe Price), the Plan Custodian.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

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

Investments valuation and income recognition

The Plan's investments in registered investment companies are reported at fair value based on the quoted market price of the fund which represents the net asset value of shares held by the fund at year-end.

Investments in Common Collective Trusts (CCT) are reported at fair value based on the unit value as determined by T. Rowe Price at year-end except when holding fully benefit-responsive investment contracts representing the fair value of the underlying investments.

In accordance with the policy of stating investments at market value, unrealized appreciation or depreciation for the year is reflected in the statement of changes in net assets available for plan benefits.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis.

Participant notes receivable

Participant notes receivable are valued at their unpaid principal balance plus accrual interest which approximates fair value.

Note 2 – Summary of Significant Accounting Policies, Continued

Administrative expenses

The Company has elected to pay certain administrative expenses of the Plan. Total administrative expenses relating to the Plan paid by the Company for the years ended December 31, 2011 and 2010 were approximately $16,100 and $29,600, respectively.

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts of assets and changes in net assets and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and such differences could be material.

Risks and uncertainties

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

Payment of benefits to withdrawing participants

The Plan records benefit payments to withdrawing participants when paid.

Note 3 – Investments

Investment information was obtained from data prepared and certified to as complete and accurate by the Plan Custodian as of December 31, 2011 and 2010 and for the years then ended. With exceptions as noted, the following are investments that represent five percent or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010:

Note 3 – Investments, Continued

	2011	2010
Common Collective Trust:		
T. Rowe Price Stable Value Fund, at fair value**	$ 10,403,742	$ 9,569,496
Mutual Funds:		
T. Rowe Price Growth Stock Fund	7,396,071	7,555,496
T. Rowe Price Equity Income Fund	6,309,514	6,306,742
T. Rowe Price Mid-Cap Growth Fund	4,420,325	4,151,399
T. Rowe Price New Horizons Fund	2,747,444	2,559,589
T. Rowe Price Spectrum Income Fund	2,287,989	2,477,780
T. Rowe Price International Stock Fund	*1,723,280	*1,952,835
T. Rowe Price Equity Index 500 Fund	*730,067	*584,219
T. Rowe Price Retirement Income Fund	*66,155	*57,685
T. Rowe Price Retirement Funds 2005-2055	8,962,342	8,406,164
Total investments	$ 45,046,929	$ 43,621,405

*Represents an individual investment of less than 5% of net assets.

**T. Rowe Price certified to the contract value of this investment as $10,040,915 and $9,223,614 at December 31, 2011 and 2010, respectively.

Note 4 – Investment Contract with Insurance Company

The Plan has a benefit-responsive investment contract with the Plan Custodian who maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Note 4 – Investment Contract with Insurance Company, Continued

The contract value of the CCT is the relevant measurement of net assets available for benefits in a defined contribution plan that holds fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for plan benefits present fair value of the fully benefit-responsive investment contracts with an appropriate adjustment to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis. Contract value, as reported by T. Rowe Price Stable Value Fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The average yields based on actual earnings for the CCT for the years ended December 31, 2011 and 2010 were 2.9% and 3.9%, respectively. As of December 31, 2011 and 2010, there are no reserves recorded against contract value for credit risk of the contract issuer.

Note 5 – Fair Value Measurements and Disclosures

ASC 820-10, the *Fair Value Measurements and Disclosures,* establishes 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table summarizes the Plan's investments based on the valuation methodology applied by the Plan as of December 31, 2011 and 2010:

	December 31, 2011			
	Level 1:	Level 2:	Level 3:	Total
Description	Quoted prices in markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
Registered investment companies	$ 34,643,187	$ -	$ -	$ 34,643,187
Common collective trust	-	10,403,742	-	10,403,742
	$ 34,643,187	$ 10,403,742	$ -	$ 45,046,929

Note 5 – Fair Value Measurements and Disclosures, Continued

	December 31, 2010			
	Level 1:	Level 2:	Level 3:	Total
Description	Quoted prices in markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
Registered investment companies	$ 34,051,910	$ -	$ -	$ 34,051,910
Common collective trust	-	9,569,496	-	9,569,496
	$ 34,051,910	$ 9,569,496	$ -	$ 43,621,405

Note 6 – Refunds Payable for Excess Contributions

During 2011 and 2010, the Plan received contributions from participants in excess of Plan and IRS limitations. Such amounts were refunded to participants in each subsequent year.

Note 7 – Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Note 8 – Tax Status

The Company has established and intends to maintain the Plan as a qualified plan under Section 401 of the Internal Revenue Code which provides for exemptions from federal income taxation. The Plan obtained its latest determination letter on January 25, 2005, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter, however, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 9 – Party-In-Interest Transactions

The Plan's investments principally consist of an interest in a common collective trust and shares of mutual funds administered by T. Rowe Price. T. Rowe Price Trust Company is the custodian as defined in the Plan and, therefore, these transactions qualify as party-in-interest.

Note 10 – Subsequent Events

The Plan evaluated events occurring subsequent to December 31, 2011 through April 24, 2012 for matters that should be recorded in the 2011 financial statements or disclosed in the footnotes thereto.

SUPPLEMENTAL SCHEDULES

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

SCHEDULE H, Line 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

December 31, 2011

Participant Directed Investments	Interest Rate	Number of Shares	Cost	Market Value
Common Collective Trust:				
T. Rowe Price Stable Value Fund	n/a	10,040,915	$ 10,040,915	$ 10,403,742
Registered Investment Companies:				
T. Rowe Price Growth Stock Fund	n/a	232,362	6,348,497	7,396,071
T. Rowe Price Equity Income Fund	n/a	273,613	6,433,734	6,309,514
T. Rowe Price Mid-Cap Growth Fund	n/a	83,829	4,190,838	4,420,325
T. Rowe Price New Horizons Fund	n/a	88,542	2,466,574	2,747,444
T. Rowe Price Spectrum Income Fund	n/a	185,864	2,166,500	2,287,989
T. Rowe Price International Stock Fund	n/a	140,218	1,833,036	1,723,280
T. Rowe Price Equity Index 500 Fund	n/a	21,549	702,513	730,067
T. Rowe Price Retirement Income Fund	n/a	5,109	60,429	66,155
T. Rowe Price Retirement 2005 Fund	n/a	6,984	77,214	78,078
T. Rowe Price Retirement 2010 Fund	n/a	33,363	492,407	501,107
T. Rowe Price Retirement 2015 Fund	n/a	61,126	695,551	707,842
T. Rowe Price Retirement 2020 Fund	n/a	88,039	1,351,800	1,400,701
T. Rowe Price Retirement 2025 Fund	n/a	95,497	1,071,533	1,105,852
T. Rowe Price Retirement 2030 Fund	n/a	116,608	1,832,162	1,928,689
T. Rowe Price Retirement 2035 Fund	n/a	81,584	920,995	951,264
T. Rowe Price Retirement 2040 Fund	n/a	53,370	846,522	884,335
T. Rowe Price Retirement 2045 Fund	n/a	110,943	1,140,848	1,223,701
T. Rowe Price Retirement 2050 Fund	n/a	15,593	146,774	144,235
T. Rowe Price Retirement 2055 Fund	n/a	3,998	37,917	36,538
			$ 42,856,759	$ 45,046,929

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

SCHEDULE H, Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
For the Year Ended December 31, 2011

Identity of Party	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net gain or (loss)
T. Rowe Price Stable Value Fund	Common Collective Trust	$ 2,193,131	$ -	$ 2,193,131	$ 2,193,131	$ -
T. Rowe Price Stable Value Fund	Common Collective Trust	$ (1,392,775)	$ (1,392,775)	$ (1,392,775)	$ (1,392,775)	$ -

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

SCHEDULE H, Line 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

December 31, 2011

Participant Directed Investments	Interest Rate	Number of Shares	Cost	Market Value
Common Collective Trust:				
T. Rowe Price Stable Value Fund	n/a	10,040,915	$ 10,040,915	$ 10,403,742
Registered Investment Companies:				
T. Rowe Price Growth Stock Fund	n/a	232,362	6,348,497	7,396,071
T. Rowe Price Equity Income Fund	n/a	273,613	6,433,734	6,309,514
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T. Rowe Price Retirement 2050 Fund	n/a	15,593	146,774	144,235
T. Rowe Price Retirement 2055 Fund	n/a	3,998	37,917	36,538
			$ 42,856,759	$ 45,046,929

FLAGLER SYSTEM, INC. EMPLOYEES' SAVINGS AND RETIREMENT PLAN

SCHEDULE H, Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
For the Year Ended December 31, 2011

Identity of Party	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net gain or (loss)
T. Rowe Price Stable Value Fund	Common Collective Trust	$ 2,193,131	$ -	$ 2,193,131	$ 2,193,131	$ -
T. Rowe Price Stable Value Fund	Common Collective Trust	$ (1,392,775)	$ (1,392,775)	$ (1,392,775)	$ (1,392,775)	$ -