

Edgar Filing: CYTOGEN CORP - Form 11-K

CYTOGEN CORP
Form 11-K
July 26, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

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

(Mark One)

[X]

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 2000

OR

[]

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission File Number 000-14879

- A. Full title of the plan and the address of the plan, if
different from that of the issuer named below:

CYTOGEN RETIREMENT SAVINGS PLAN

- B. Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office:

CYTOGEN CORPORATION
600 COLLEGE ROAD EAST CN-5308
PRINCETON, NJ 08540-5308
(609) 750-8200

CYTOGEN RETIREMENT SAVINGS PLAN
INDEX TO FINANCIAL STATEMENT AND SCHEDULES

DECEMBER 31, 2000

Edgar Filing: CYTOGEN CORP - Form 11-K

	Page No.

Required Information.....	2
Report of Independent Public Accountants.....	3
Financial Statements:	
Statements of net assets available for Plan benefits	
As of December 31, 2000 and 1999.....	4
Statement of changes in net assets available for Plan benefits	
For the year ended December 31, 2000.....	5
Notes to financial statements	
As of December 31, 2000.....	6
Supplemental Schedules:	
Schedule H, Part IV, Item i - Schedule of assets	
held for investment purposes	
As of December 31, 2000.....	11
Schedule H, Part IV, Item j - Schedule of non-exempt transactions	
As of December 31, 2000.....	12
Schedule 27(b)-Schedule of loans or fixed income obligations	
As of December 31, 2000.....	13
Signature.....	14
Exhibit 23 - Consent of Independent Accountants.....	15

REQUIRED INFORMATION

1. Financial Statements and Schedules of the Cytogen Retirement Savings Plan prepared in accordance with the financial reporting requirements of the

Edgar Filing: CYTOGEN CORP - Form 11-K

Employee Retirement Income Security Act of 1974, as amended.

Exhibit 23. Consent of Arthur Andersen, Independent Accountants

2

Report of independent public accountants

To the Plan Administrator of
Cytogen Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of Cytogen Retirement Savings Plan ("the Plan") as of December 31, 2000 and 1999, and the related statement of changes in net assets available for benefits, and supplemental schedules, for the year ended December 31, 2000. These financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999, and the changes in its net assets available for benefits, and supplemental schedules, for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen, LLP

Philadelphia, Pennsylvania
July 23, 2001

Cytogen Retirement Savings Plan

Statements of net assets available for Plan benefits
As of December 31, 2000 and 1999

	2000	1999
	-----	-----
Assets:		
Investments	\$ 7,486,678	\$ 8,894,047
Participant's contribution receivable	14,553	79,834
Employer contribution receivable	55,909	3,730
Loans receivable	-	231
	-----	-----
Net assets available for plan benefits	\$ 7,557,140	\$ 8,977,842
	=====	=====

The accompanying notes are an integral part of these financial statements.

Cytogen Retirement Savings Plan

Statement of changes in net assets available for Plan benefits
For the year ended December 31, 2000

Net assets available for Plan benefits, beginning of year	\$ 8,977,842
Additions:	
Investment income-	
Interest and dividends	631,294
Interest income from loans	2,117

	633,411

Edgar Filing: CYTOGEN CORP - Form 11-K

Contributions-		-----
Participant		310,314
Employer		112,496
Rollovers		21,568

		444,378

Total additions		1,077,789

Deductions:		
Net depreciation in fair value of investments		(1,033,631)
Benefits paid to participants		(1,464,860)

Total deductions		(2,498,491)

Net decrease		(1,420,702)

Net assets available for Plan benefits, end of year		\$ 7,557,140
		=====

The accompanying notes are an integral part of this financial statement.

5

Cytogen Retirement Savings Plan

Notes to financial statements
As of December 31, 2000

1. Description of the plan:

Organization

The Cytogen Retirement Savings Plan (the Plan) is a defined contribution plan for the employees of Cytogen Corporation (the Employer or Company) that was established on December 15, 1986. The Plan is governed by the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and is intended to comply with Sections 401(a) and 401(k) of the Internal Revenue Code (IRC).

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Effective September 1, 1999, Massachusetts Financial Services Company replaced Prudential Mutual Fund Service, Inc. as the Plan's Recordkeeper and Investment Manager.

Eligibility

Edgar Filing: CYTOGEN CORP - Form 11-K

Each employee shall become eligible to participate within the Plan as of the date when the employee attains the age of 21 years and has completed one month of service.

Administration

The Employer designates a person or persons to serve as administrator under the Plan, who shall perform all such duties as are necessary to operate, administer, and manage the Plan. The expenses necessary to administer the Plan shall be borne by the Employer, including necessary professional assistance.

Contributions

Each active participant may enter into a written salary deferral agreement with the Employer in which the employee may elect to defer an amount from 1 percent to 15 percent of his or her compensation and the Employer shall make a matching contribution in an amount equal to 50 percent of the employee contribution, not to exceed limitations set forth by the Plan. The Employer may also make an annual Employer discretionary contribution under the Plan in an amount that the Employer's Board of Directors shall determine by resolution. The allocation of this discretionary contribution shall be made in the proportion that the compensation paid to each participant during the Plan year bears to the compensation paid to all such participants, subject to limitation set forth by the Plan.

The Plan also permits the rollover of cash transferred from other employee benefit plans which are qualified under the IRC. Rollovers of cash are included as part of asset additions in the statement of changes in net assets available for benefits. For the year ended December 31, 2000, rollovers of cash amounted to \$21,568.

6

Vesting and forfeitures

A participant's interest in the Employer matching contribution is 100 percent vested upon the contribution. A participant's interest in the Employer's discretionary contributions vests over four years of service, at which time it becomes 100 percent vested. Vesting credit shall be given for each year of service, except plan years during which a participant did not complete at least 1,000 hours of service. If a participant terminates employment and is not 100 percent vested, the nonvested portion of the participant's account shall be placed in a separate account and will become a forfeiture upon the date such terminated participant incurs a one-year break in service. These forfeitures shall be used by the Employer to reduce the Employer's contribution.

Distributions/Benefits

A participant who attains the normal retirement age shall have a vesting percentage of 100 percent. If a participant retires from the active service of the Employer on the normal retirement date, then he or she shall receive a distribution of the entire value of their participant account. A participant who retires from the service of the Employer on account of disability shall have a vesting percentage of 100 percent and shall receive a distribution of the entire value of their participant account.

Edgar Filing: CYTOGEN CORP - Form 11-K

Participant loans

All participants in the Plan may obtain a loan secured by the participant's account balance. The amount of all outstanding loans to a participant may not exceed 50 percent of the participant's vested account balance. The loans are made at a rate equivalent to rates charged by a professional lender in a similar circumstance. Loans are repaid in no more than five years, except if the loan is for the purchase of the participant's primary residence, in which case the repayment period may exceed five years.

Investment options

Prudential Mutual Fund Services, Inc. was the Plan's investment manager from January 1, 1999 through August 31, 1999. The Plan's investment options under the management of Prudential Mutual Fund Services, Inc. were as following:

Fund	Objective
----- Money Market Funds	----- Invests in a broad range of money market instruments. Includes Government Securities Trust, Special and Privileged Funds.
Prudential Equity Fund A Prudential Equity Fund B Fidelity Equity Income Fund T Prudential Balanced Fund A Prudential Balanced Fund B Fidelity Growth Opportunity Fund T	Invests in stocks, bonds and money market investments.
Prudential Government Income Fund A Prudential Government Income Fund B	Invests in a broad range of fixed income securities.
Putnam Voyager Fund A Putnam International Growth Fund A AIM Constellation Fund A	Invests in stocks and money market instruments.
Prudential Jennison Growth Fund	Invests in growth stocks.

7

Effective as of September 1, 1999, Massachusetts Financial Services Company (the Trustee) was the Plan's investment manager. The Plan's investment options under the management of Massachusetts Financial Services Company include the following:

Fund	Objective
----- MFS Emerging Growth Fund	----- Invests in emerging growth companies, foreign and emerging market securities, and derivative securities.
MFS Money Market Fund	Invests in a broad range of money market instruments.
Massachusetts Investor Trust	Invests in stocks, foreign and

Edgar Filing: CYTOGEN CORP - Form 11-K

	emerging market securities, and derivative securities.
Massachusetts Investor Growth Stock Fund	Invests in long-term growth companies, foreign and emerging market securities, and derivative securities.
MFS Research Fund	Invests in a broad range of stocks.
MFS Total Return Fund	Invests in fixed-income securities, stocks, and derivative securities.
MFS High Income Fund	Invests in high yield corporate bonds, high yield securities, and foreign and emerging market securities.
MFS Capital Opportunities Fund	Invests in moderate growth companies, foreign and emerging market securities, and derivative securities.
MFS Government Securities Fund	Invests in fixed-income government securities and derivatives securities.
MFS Global Equity Fund	Invests in common stocks and equivalents, foreign and emerging market securities, and derivative securities.
MFS Fixed Fund	Invests in stable-value investment contracts.

Termination

As of a participant's termination of employment, they shall be entitled to receive a distribution of their entire vested interest. Such distribution shall be further subject to terms and conditions set forth by the Plan.

2. Summary of significant accounting policies:

Basis of accounting

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The accompanying financial statements have been prepared on the accrual basis of accounting, except for distributions that are accounted for on a cash basis in accordance with the AICPA Audit and Accounting Guide entitled "Audits of Employee Benefit Plans." Investments are stated at market value.

8

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the financial statements and the related disclosures during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements

Edgar Filing: CYTOGEN CORP - Form 11-K

The Accounting Standards Executive Committee issued Statement of Position 99-3 Accounting for the Reporting of Certain Defined Contribution Plan Investments and Other Disclosure Matters (SOP) which eliminates the requirements for a defined contribution plan to disclose participant-directed investment programs. The SOP was early adopted for the 1999 financial statements.

Valuation of investments

Investments represent units in a series of funds managed by the investment manager. The Plan's investment funds are stated at market value, as determined based on market quotes of the underlying assets.

Plan expenses

All administrative costs associated with the operation of the Plan are paid by the Employer in accordance with the terms of the Plan.

3. Investments:

The following table presents the current values of individual assets that represent 5 percent or more of the Plan's net assets available for benefits as of December 31, 2000 and 1999 as follows:

Description/Issuer of Investment	2000	1999
MFS Emerging Growth Fund	\$ 808,246	\$ 1,112,779
Massachusetts Investor Trust	620,564	487,963
Massachusetts Investor Growth Stock Fund	2,260,178	2,864,003
MFS Research Fund	689,687	927,205
MFS Capital Opportunities Fund	897,482	1,091,311
MFS Government Securities Fund	965,414	1,142,123
MFS Global Equity Fund	398,032	554,073
MFS Fixed Fund	604,113	519,753

4. Tax status:

The trust established under the Plan is qualified under the IRC as exempt from federal income taxes. The Plan has received a favorable determination letter from the IRS but has not been updated for the most recent plan amendment. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

9

5. 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 anytime and to terminate the Plan, subject to the provisions of ERISA. In the event of termination, distributions shall be subject to the terms and conditions set forth by the Plan.

6. Distributions/benefits paid to participants:

Edgar Filing: CYTOGEN CORP - Form 11-K

Distributions/benefits paid to participants are generally made on a monthly basis for those requests processed in the previous month. There were no distributions/benefits payable to the participants as of December 31, 2000.

10

Cytogen Retirement Savings Plan

Schedule H, Part IV, Item i - Schedule of assets held for investment purposes
As of December 31, 2000

Description of investment	Market value
MFS Emerging Growth Fund	\$ 808,246
MFS Money Market Fund	40,431
Massachusetts Investor Trust	620,564
Massachusetts Investor Growth Stock Fund	2,260,178
MFS Research Fund	689,687
MFS Total Return Fund	164,373
MFS High Income Fund	37,746
MFS Capital Opportunities Fund	897,482
MFS Government Securities Fund	965,414
MFS Global Equity Fund	398,032
MFS Fixed Fund	604,113
*Participant Loans (interest rates ranging from 6 percent to 9.5 percent)	412
Total	\$ 7,486,678

* Represents a party-in-interest.

11

Cytogen Retirement Savings Plan

Schedule H, Part IV, Item j - Schedule of non-exempt transactions
As of December 31, 2000

Edgar Filing: CYTOGEN CORP - Form 11-K

Identity of party involved	Description of transaction	Amount of loan
Cytogen Corporation	Deemed interest-free loan to the Company dated February 25, 2000, maturity April 14, 2000	\$15,431
Cytogen Corporation	Deferred interest-free loan to the Company dated April 22, 2000, maturity April 27, 2000	\$14,782

12

Cytogen Retirement Savings Plan

ITEM 27(b)-SCHEDULE OF LOANS OR FIXED INCOME OBLIGATIONS

AS OF DECEMBER 31, 2000

Identity and Address of Obligor	Original Amount	Amount Received During the Reporting Year		Unpaid Balance at	Description of Loan
	of Loan	Principal	Interest	End of year	
James Aiken 1050 George St. Apt 19H New Brunswick, NJ 08901	\$3,000	\$0	\$0	\$2,595	8.5% interest, Beginning February 23, 1998; 130 bi-weekly payments maturing March 12, 2003
Thomas Balla 14 Petunia Drive North Brunswick, NJ 08902	\$8,880	\$0	\$0	\$9,605	9.25% interest, Beginning April 28, 1996; 260 bi-weekly payments maturing April 15, 2006

13

SIGNATURE

THE PLAN

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan

Edgar Filing: CYTOGEN CORP - Form 11-K

has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

CYTOGEN RETIREMENT SAVINGS PLAN

By: Cytogen Corporation, Plan Administrator

Date: July 26, 2001

By: /s/ Catherine M. Verna

Catherine M. Verna
Vice President and General Counsel