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RPM INTERNATIONAL INC/DE/
Form 11-K
July 15, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

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

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].

For the fiscal year ended: December 31, 2002

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 1-14187

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

RPM International Inc. 401(k) Trust and Plan, as amended

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

RPM International Inc. 2628 Pearl Road, P.O. Box 777, Medina, Ohio 44258

RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2002

CSD

CIULLA, SMITH & DALE, LLP - CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To The Plan Administrator of the
RPM International Inc. 401(k) Trust and Plan

We were engaged to audit the accompanying statement of net assets available for benefits of the RPM International Inc. 401(k) Trust and Plan, as of December 31, 2002 and 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2002 and the supplemental schedule of assets held for investment purposes at December 31, 2002. These financial statements and supplemental 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, as amended, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Key Trust Company of Ohio, N.A., the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. 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 a certification from the custodian as of December 31, 2002 and 2001, and for the year ended December 31, 2002, 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule 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 the Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

/S/ Ciulla, Smith & Dale, LLP

July 10, 2003

Offices in Cleveland, Boston, Detroit and Grand Rapids
6364 Pearl Road - Cleveland, Ohio 44130-3052
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RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

STATEMENT OF ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2002 AND 2001

| ASSETS | 2002 | 2001 |
|-----------------------------------|---------------|---------------|
| ----- | ----- | ----- |
| Investments, at Fair Value | \$172,209,793 | \$180,388,277 |
| Receivables | | |
| Employer contribution | 341,861 | 328,136 |
| Employee contribution | 877,459 | 844,853 |
| Interest and dividends | 295 | 484 |
| | ----- | ----- |
| | 1,219,615 | 1,173,473 |
| | ----- | ----- |
| Net Assets Available for Benefits | \$173,429,408 | \$181,561,750 |
| | ===== | ===== |

(See notes to financial statements.)

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RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2002

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| | | |
|---|--------------|---------------|
| Additions to Net Assets Attributable to: | | |
| Employer contributions | \$ 5,203,894 | |
| Employee contributions | 13,691,310 | \$ 18,895,204 |
| | ----- | |
| Interest and dividend income | | 2,879,122 |
| Other income | | 3,862 |
| Realized (loss) on sales of investments | | (2,590,351) |
| Unrealized (depreciation) in aggregate fair value of investments | | (12,738,486) |
| | | ----- |
| | | 6,449,351 |
| Deductions from Net Assets Attributable to: | | |
| Benefit payments to participants | (14,042,475) | |
| Administrative expenses | (165,537) | (14,208,012) |
| | ----- | ----- |
| Net Deductions | | (7,758,661) |
| Net Assets Available for Benefits at Beginning of Year | | 181,561,750 |
| Assets Transferred to Trustees of Successor Plans | | (373,681) |
| | | ----- |
| Net Assets Available for Benefits at End of Year | | \$173,429,408 |
| | | ===== |

(See notes to financial statements.)

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RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The assets of the Plan, as reflected in the accompanying statements, are stated at current market value as of the statement date. The Plan has no

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investments in assets not having a readily determinable market value.

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

NOTE B - DESCRIPTION OF THE PLAN

The Plan is a defined contribution savings Plan covering substantially all non-union employees of participating subsidiaries of RPM International Inc. (the Parent). The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Participating employees may make voluntary contributions up to 20% of pre-tax annual compensation as defined in the Plan. Prior to June 1, 2002, participating employees could contribute up to 15% of compensation. The Plan currently offers eleven investment funds and the employer stock as investment options for participants. The Company contributes 50% of the first 6% of compensation that a participant contributes to the Plan. The matching Company contribution is invested in the same manner that the participants invest their own contributions. Prior to October 1, 2002, the matching contribution was invested in RPM International Inc. common stock. Contributions are subject to certain limitations. Vesting is immediate for contributions, both employee and employer, and earnings thereon.

Further information may be obtained from the Plan administrator.

NOTE C - CERTIFIED INFORMATION

The Plan's investments are maintained by Key Trust Company of Ohio, N.A. The Plan administrator has instructed the independent public accountants not to examine the information certified as complete and accurate by the trustee/custodian. The trustee/custodian's certification applies to all Plan assets and transactions for the dates presented.

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RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

Continued

NOTE D - INVESTMENTS

The following presents investments at December 31, 2002 and 2001, that represent 5% or more of the Plan's net assets:

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| | 2002 ----- | 2001 ----- |
|-------------------------------------|---------------|---------------|
| Victory DCS Money Market Fund | \$18,185,430 | \$19,413,583 |
| Victory DCS Magic Fund | 10,117,869 | ** |
| American Government Securities Fund | 11,881,746 | ** |
| American Washington Mutual Fund | 15,170,170 | 17,836,730 |
| Fidelity Magellan Fund | 21,168,960 | 29,233,687 |
| Fidelity Contra Fund | 19,148,893 | 22,327,581 |
| Templeton Foreign Fund | ** | 9,047,888 |
| Janus Balances Fund | 16,739,591 | 18,262,832 |
| Employer Stock Fund | 32,263,628 | 28,714,374* |

*Nonparticipant-directed

**Fund balance did not represent 5% of the Plan's net assets.

During 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$15,328,837.

| | Gains (Losses) Realized ----- | Gains (Losses) Unrealized ----- | Gains (L Tot ----- |
|-------------------------|-------------------------------------|---------------------------------------|--------------------------|
| Common/Collective Trust | \$ 889,789 | \$ (184,599) | \$ 70 |
| Mutual Funds | (3,678,390) | (13,925,891) | (17,60 |
| Common Stock | 198,250 | 1,372,004 | 1,57 |
| | ----- | ----- | ----- |
| | \$ (2,590,351) | \$ (12,738,486) | \$ (15,32 |
| | ===== | ===== | ===== |

NOTE E - NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

| | December 31 ----- | |
|-----------------------------|----------------------|---------------|
| | 2002 ----- | 2001 ----- |
| Net Assets: | | |
| RPM Int'l Inc. common stock | \$ | \$28,714,374 |
| Life insurance | 169,731 | 165,869 |
| Loan fund | 4,064,405 | 4,274,943 |
| | ----- | ----- |
| | \$ 4,234,136 | \$33,155,186 |
| | ===== | ===== |

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| | Year Ended December 31, 2002 ----- |
|--|---|
| Changes in Net Assets: | |
| Contributions | \$ 3,763,262 |
| Interest and dividends | 1,015,531 |
| Other income | 3,862 |
| Net appreciation | (734,564) |
| Benefits paid to participants | (891,773) |
| Administrative expenses | (29,049) |
| Transfers to participant-directed investments | (32,048,319) |
| | ----- |
| | \$(28,921,050) |

(See notes to financial statements)

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RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

Continued

NOTE F - ASSETS TRANSFERRED TO OTHER PLANS

During the year ended December 31, 2002 the Plan had transfers to trustees of successor plans totalling \$373,681.

NOTE G - 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.

NOTE H - INCOME TAX STATUS

The Plan obtained its latest determination letter on September 5, 2002, 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 and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE I - DERIVATIVE FINANCIAL INSTRUMENTS

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The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under FASB statement No. 133, Accounting for Derivative Instruments and Hedging Activities during the current Plan year.

NOTE J - PLAN AMENDMENTS

- (1) Effective October 1, 2002; matching contributions will be made in cash rather than Company stock; participants will be able to direct up to 20% of employee and matching contributions in Company stock; and participants will be permitted to sell Company stock at any time.
- (2) Effective 9:00 a.m. on October 15, 2002, the name of the trust and plan was changed to the "RPM International Inc. 401(k) Trust and Plan".

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RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

Continued

NOTE J - PLAN AMENDMENTS - Continued

- (3) Effective January 1, 2002, the trust and plan was amended to bring it into compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001 and to bring the trust and plan into compliance with regulations issued by the Department of Labor regarding claims procedures.
- (4) Effective January 1, 2003, the Company will make safe harbor matching contributions. The matching contribution will be 100% of the first 3% and 50% of the next 2% of compensation that a participant contributes to the Plan. Also, age 50 catch-up contributions will be permitted by the Plan.

NOTE K - SUBSEQUENT EVENTS

Effective March 1, 2003, the Plan's investments will be maintained by Wachovia Bank, N.A.

RPM INTERNATIONAL INC. 401(k) TRUST AND PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 2002

FEDERAL ID #34-6550857 PLAN 011

Schedule H - Line 4i - Schedule of Assets Held for Investment Purposes

| (a) --- | (b) & (c) ----- | (d) --- | (e) --- |
|--|--------------------|---------------------------|------------|
| Identity of Issue & Description ----- | Cost ----- | Current Value ----- | |
| Victory DCS Money Market Fund (Common/Collective Trust) | \$ 16,630,887 | \$ 18,185,430 | |
| Victory DCS Magic Fund (Common/Collective Trust) | 9,069,258 | 10,117,869 | |
| E B Money Market Fund (Common/Collective Trust) | 219,910 | 219,910 | |
| American Government Securities Fund (Mutual Fund) | 11,378,610 | 11,881,746 | |
| American Washington Fund (Mutual Fund) | 18,072,231 | 15,170,170 | |
| Fidelity Magellan Fund (Mutual Fund) | 28,764,968 | 21,168,960 | |
| Fidelity Contra Fund (Mutual Fund) | 24,050,005 | 19,148,893 | |
| Franklin Small Cap Fund (Mutual Fund) | 7,082,799 | 4,434,855 | |
| Templeton Foreign Fund (Mutual Fund) | 9,719,867 | 8,317,761 | |
| Victory Stock Index Fund (Mutual Fund) | 7,202,906 | 4,669,309 | |
| Neuberger Berman Genesis Assets Fund (Mutual Fund) | 5,671,863 | 5,657,535 | |
| Janus Balanced Fund (Mutual Fund) | 18,783,242 | 16,739,591 | |
| Employer Stock Fund (Common Stock) | 24,773,543 | 32,263,628 | |
| Northwestern Mutual Life Insurance | 169,731 | 169,731 | |

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| | | |
|-------------------------------------|-----|------------------------|
| Participant Loans (5.75% to 10.50%) | -0- | 4,064,405 ----- |
| Total | | \$172,209,793 ===== |

See Accountant's Report.

See Notes to Financial Statements.

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The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RPM INTERNATIONAL INC. 401(K) TRUST AND
PLAN

By: RPM International Inc. (Plan Administrator)

/s/ Ronald A. Rice

Ronald A. Rice, Senior Vice President -
Administration

Date: July 15, 2003

EXHIBIT INDEX

23.1 Consent of Ciulla, Smith & Dale, LLP