

Edgar Filing: STEELCASE INC - Form 11-K

STEELCASE INC
Form 11-K
August 19, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K
ANNUAL REPORT
Pursuant to Section 15(d) of the
Securities and Exchange Act of 1934

(Mark One):

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

For the fiscal year ended February 28, 2002

OR

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

for the transition period from _____ to _____
Commission file number 1-13873

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

Steelcase Inc. 401(k) Retirement Plan

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

Steelcase Inc.
901 44/th/ Street
Grand Rapids, Michigan 49508

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934,
the Plan Administrator of the Plan has duly caused this annual report to be
signed on its behalf by the undersigned hereunto duly authorized.

Steelcase Inc. 401(k) Retirement Plan

Date: August 19, 2002

By: /s/ James P. Keane

James P. Keane
Senior Vice President-Finance
and Chief Financial Officer
Steelcase Inc.

Edgar Filing: STEELCASE INC - Form 11-K

Steelcase Inc. 401(k) Retirement Plan

	Contents
Independent Auditors' Report	2
Financial Statements	
Statements of Net Assets Available for Benefits - February 28, 2002 and 2001	3
Statements of Changes in Net Assets Available for Benefits - Years Ended February 28, 2002 and 2001	4
Notes to Financial Statements	5-8
Supplemental Schedule	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	9

1

Independent Auditors' Report

Plan Administrator of Steelcase Inc.
401(k) Retirement Plan
Grand Rapids, Michigan

We have audited the accompanying statements of net assets available for benefits of Steelcase Inc. 401(k) Retirement Plan as of February 28, 2002 and 2001, and the related statements of changes in net assets available for benefits for each of the two years in the period ended February 28, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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 February 28, 2002 and 2001, and the changes in its net assets available for benefits each of the two years in the period ended February 28, 2002, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income

Edgar Filing: STEELCASE INC - Form 11-K

Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grand Rapids, Michigan
May 30, 2002

2

Steelcase Inc. 401(k) Retirement Plan

Statements of Net Assets Available for Benefits

(in thousands)

February 28,	2002	2001
<hr style="border-top: 1px dashed black;"/>		
Assets		
Investments, at fair value	\$ 300,854	\$ 349,151
Participant loans	3,095	2,021
<hr style="border-top: 1px dashed black;"/>		
Net Assets Available for Benefits	\$ 303,949	\$ 351,172
<hr style="border-top: 3px double black;"/>		

See accompanying notes to financial statements.

3

Steelcase Inc. 401(k) Retirement Plan

Statements of Changes in Net Assets

Available for Benefits

(in thousands)

Year ended February 28,	2002	2001
<hr style="border-top: 1px dashed black;"/>		
Additions		
Investment income		
Interest income		
Investments	\$ 369	\$ 379
Participant loans	210	92
Net investment loss from collective investment fund	(1,964)	(2,616)
Net investment loss from mutual funds	(44,455)	(121,430)
Net investment gain from common stock	39	4
<hr style="border-top: 1px dashed black;"/>		
Total investment loss	(45,801)	(123,571)
Participant contributions	27,928	29,254
Rollover contributions	742	1,549

Edgar Filing: STEELCASE INC - Form 11-K

Employer contributions	31	21

Total Additions	(17,100)	(92,747)

Deductions		
Benefits paid to participants	30,123	22,258
Administrative expenses	-	1

Total Deductions	30,123	22,259

Net decrease	(47,223)	(115,006)
Transfer from other plans	-	30,318
Net Assets Available for Benefits, beginning of year	351,172	435,860

Net Assets Available for Benefits, end of year	\$ 303,949	\$ 351,172
=====		

See accompanying notes to financial statements.

4

Steelcase Inc. 401(k) Retirement Plan
Notes to Financial Statements

1. Plan
Description

The following description of the Steelcase Inc. 401(k) Retirement Plan (Plan) provides only general information. Participants should refer to the Plan agreement or Summary Plan Description (SPD) for a more complete description of the Plan's provisions.

General

The Plan is a contributory, defined contribution 401(k) plan established for employees of Steelcase Inc. (Company) and its subsidiaries that participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

As of September 1, 2000, the Steelcase Inc. Group Retirement Plan was merged into this plan. The provisions of this Plan were fully applied to the participants of the Steelcase Inc. Group Retirement Plan.

Contributions

The Company contributes an amount equal to pre-tax elective deferrals selected by the participant under Benefitsystems, a cafeteria plan established and maintained by the Company. A

participant may elect to defer to the Plan, on a pre-tax basis, specified maximum percentages of eligible compensation (for the Plan year ended February 28, 2002, 9% for Highly Compensated Employees and 10% for Nonhighly Compensated Employees; for the Plan year ended February 28, 2001, 7% for Highly Compensated Employees, 8% for Nonhighly Compensated Employees; but, effective September 1, 2000, 10% for all participants at these locations: Steelcase North America, Wood Furniture Grand Rapids, Brayton International, Inc., Anderson Desk Inc., Stow Davis Furniture Company, Inc., and Steelcase Design Partnership). Brayton International Inc. and Anderson Desk Inc. may each also make matching contributions at their discretion on behalf of their employees, at the level and under the conditions determined by them each year. Participant and employer contributions vest immediately. Contributions for a plan year on behalf of a participant are limited as described in the Plan. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a money market fund, eight mutual funds, common stock, a collective investment fund, and a contract with an insurance

5

Steelcase Inc. 401(k) Retirement Plan
Notes to Financial Statements

company as investment options for participants.

Participant Accounts

Earnings, net gains and losses, and administrative expenses are allocated daily to the accounts of participants. Participant accounts are 100% vested. Pre-tax elective deferral contributions are allocated to the participant's accounts on a weekly, bi-weekly or monthly basis. Matching contributions are allocated as of the last day of the Plan year.

Payment of Benefits

Upon termination of service, a participant may elect to receive either a lump-sum distribution equal to the value of the participant's account, regular installments (not less frequent than annual), a partial distribution, an annuity purchased equal to the value of the participant's account or a transfer into another qualified retirement plan or IRA. In-service withdrawals are also available for participants who had an account under the Steelcase Inc. Group Retirement Plan on August 31, 2000, if they experience a hardship, as defined in the Plan, or have reached age 59 1/2.

Participant Loans

Participants may, with the consent of the plan administrator, borrow up to 50% of their vested account balance or \$15,000 (\$50,000 for loans made prior to September 1, 2000 under the Steelcase Inc. Group Retirement Plan), whichever is less. The loans are secured by the balance in the participant's account and bear interest at 5.75%-10.50%. The loans are repaid ratably through payroll deductions over a period of four and one-half years or less. Loans made prior to September 1, 2000 under the Steelcase Inc. Group Retirement Plan must be repaid in five years or less, except that a loan used to purchase the principle residence of the participant, made prior to the merger of the Steelcase Inc. Group Retirement Plan, may exceed five years.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

6

Steelcase Inc. 401(k) Retirement Plan
Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investments

Investments in collective investment funds, mutual funds and common stock are stated at fair value as determined by Bank of New York, the custodian of the Plan, based on quoted market prices. The CIGNA Chartered Guaranteed Long-Term Account is stated at contract value, which approximates fair value. Contract value represents contributions made under the contract, plus interest at the contract rate, less any withdrawals. Participant loans are stated at cost, which approximates fair value.

Payment of Benefits

Benefits are recorded when paid.

3. Investments

The following presents investments that represent

Edgar Filing: STEELCASE INC - Form 11-K

5 percent or more of the Plan's net assets
(in thousands):

February 28,	2002
VanKampen Emerging Growth Fund A	\$ 86,792
Fifth Third Equity Index Fund	63,805
Fifth Third Short Term Bond Fund	39,416
Fifth Third Balanced Collective Fund	33,209
Putnam Investors Fund A	19,540
VanKampen Corporate Bond Fund A	16,920
Fifth Third Prime Money Market Fund	15,490

4. 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.

7

Steelcase Inc. 401(k) Retirement Plan
Notes to Financial Statements

In the event of Plan termination, after participant accounts are adjusted for any expenses, the trustee will distribute the balance of the accounts to the participants.

5. Related Party Transactions

Certain Plan investments are shares of mutual funds and collective investment funds managed by Fifth Third Bank (formerly Old Kent Bank). Fifth Third Bank is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

6. Income Tax Status

The Internal Revenue Service has determined and informed the plan administrator in a letter dated March 21, 1996, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. On February 26, 2002, the Plan was again submitted to the Internal Revenue Service for a determination as to its continuing tax-qualified status and is now awaiting approval.

8

Steelcase Inc. 401(k) Retirement Plan

Edgar Filing: STEELCASE INC - Form 11-K

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
(in thousands)

EIN: 38-0819050

Plan Number: 011

February 28, 2002

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	C
*	Fifth Third Prime Money Market Fund	15,490 shares	**	\$
	Mutual funds:			
*	Fifth Third Equity Index Fund	3,015 shares	**	
*	Fifth Third Short Term Bond Fund	4,018 shares	**	
	Putnam International Growth Fund A	403 shares	**	
	Putnam Investors Fund A	1,833 shares	**	
	Templeton Foreign Fund A	434 shares	**	
	Vanguard Winsor II Admiral Fund	210 shares	**	
	VanKampen Corporate Bond Fund A	2,537 shares	**	
	VanKampen Emerging Growth Fund A	2,228 shares	**	
	Contract with Insurance Company: CIGNA Chartered Guaranteed Long-Term Account	159 shares	**	
*	Steelcase Inc. Common Stock	22 shares	**	\$ 293
*	Fifth Third Balanced Collective Fund	1,934 shares	**	
	Participant Loans	(5.75%-10.50%)	**	\$ 0

* A party-in-interest as defined by ERISA.

** The cost of participant-directed investments is not required to be disclosed.