

Edgar Filing: SL INDUSTRIES INC - Form 11-K

SL INDUSTRIES INC
Form 11-K
July 15, 2002

UNITED STATES
SECURITIES & EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

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

For the fiscal year ended December 31, 2001

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

COMMISSION FILE NUMBER 1-4987

SL INDUSTRIES, INC.
SAVINGS AND PENSION PLAN

520 FELLOWSHIP ROAD, SUITE A-114
MT. LAUREL, NJ 08054
(Name & address of Principal Executive Offices
of the issuer of the Securities)

21-0682685
(I.R.S. Employer Identification No.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934,
the trustees (or other persons who administer the Plan) have duly caused this
annual report to be signed by the undersigned thereunto duly authorized.

Edgar Filing: SL INDUSTRIES INC - Form 11-K

SL INDUSTRIES, INC.
PLAN ADMINISTRATOR

By /s/ David R. Nuzzo

David R. Nuzzo
Vice President, Finance & Administration
July 15, 2002

2

SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

	Page

Report of Independent Public Accountants for the year ended December 31, 2001	4
Report of Independent Public Accountants for the year ended December 31, 2000	5
Financial Statements:	
Statements of Net Assets Available for Benefits December 31, 2001 and December 31, 2000	6
Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2001	7
Notes to Financial Statements	8-12
Supplemental Schedule:	
Schedule I- Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes - December 31, 2001	13
Exhibit Index	14

3

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator

Edgar Filing: SL INDUSTRIES INC - Form 11-K

SL Industries, Inc. Savings and Pension Plan:

We have audited the accompanying statement of net assets available for benefits of the SL Industries, Inc. Savings and Pension Plan as of December 31, 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. These financial statements and the schedule referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The statement of net assets available for benefits of the SL Industries, Inc. Savings and Pension Plan as of December 31, 2000 was audited by other auditors, whose report dated June 18, 2001, expressed an unqualified opinion on that statement.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2001 financial statements referred to above present fairly, in all material respects, the net assets available for benefits as of December 31, 2001 and the changes in net assets available for benefits for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the accompanying index is presented for purposes 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 Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic statements taken as a whole.

/s/ Goldenberg Rosenthal, LLP
Jenkintown, Pennsylvania
July 10, 2002

4

THIS IS A COPY OF A PREVIOUSLY ISSUED ARTHUR ANDERSEN LLP REPORT.
THIS REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP. SEE
EXHIBIT 23.2 FOR FURTHER DISCUSSION.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator
SL Industries, Inc. Savings and Pension Plan:

We have audited the accompanying statements of net assets available for plan benefits of the SL Industries, Inc. Savings and Pension Plan as of December 31,

Edgar Filing: SL INDUSTRIES INC - Form 11-K

2000 and 1999, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2000. These financial statements and the schedule referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 plan benefits as of December 31, 2000 and 1999 and the changes in net assets available for plan benefits for the year ended December 31, 2000, in conformity with accounting principles general accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the accompanying index is presented for purposes 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 Security Act of 1974. 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 statements taken as a whole.

Philadelphia, Pennsylvania
June 18, 2001

5

SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31	
	2001	2000 *
ASSETS:		
Investments	\$13,962,101	\$16,470,147
Receivables:		
Employer Contributions	310,274	366,122

Edgar Filing: SL INDUSTRIES INC - Form 11-K

Participant Contributions	57,488	78,547
	-----	-----
Total receivables	367,762	444,669
	-----	-----
Cash	7,158	--
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$14,337,021	\$16,914,816
	=====	=====

* Reclassified for comparative purposes

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

6

SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2001

Additions:	
Additions to net assets attributed to:	
Investment income:	
Net depreciation in fair value of investments	\$ (1,654,180)
Interest/dividends	516,493
Net realized loss on sales of investments	(338,656)

	(1,476,343)

Contributions:	
Participant	969,021
Employer	627,691
Rollover	14,829

	1,611,541

Total additions	135,198

Deductions:	
Deductions from net assets attributed to:	
Benefits paid to participants	2,711,020
Administrative expenses	1,973

Edgar Filing: SL INDUSTRIES INC - Form 11-K

Total deductions	2,712,993

Net decrease	(2,577,795)
Net assets available for benefits:	
Beginning of year	16,914,816

End of year	14,337,021
	=====

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

7

SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of Plan and Summary of Significant Accounting Policies

Description of Plan:

SL Industries, Inc. Savings and Pension Plan (the "Plan"), originally adopted May 1, 1976, is a defined contribution savings and pension plan covering substantially all U.S. non-union employees of SL Industries, Inc. Corporate Office, SL Surface Technologies, Inc., Condor D.C. Power Supplies, Inc., SL Montevideo Technology, Inc., and SLW Holdings, Inc. (first month of the year in 2001). To become eligible for the Plan, an individual would have to have attained the age of 18 on the first day of the month coinciding with or following the date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Participants should refer to the Summary Plan Description for more complete information with respect to the provisions of the Plan.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Investments:

Edgar Filing: SL INDUSTRIES INC - Form 11-K

As part of the Plan provisions, participants may invest in SL Industries, Inc. Common Stock ("Common Stock") and/or in various combinations of fourteen Fidelity Institutional Retirement Services Co., Inc. ("Fidelity") funds: Blended Income Fund, Growth and Income Portfolio, Puritan Fund, Low-Priced Stock Fund, Diversified International Fund, Mid-Cap Stock Fund, Freedom Income Fund, Freedom 2000 Fund, Freedom 2010 Fund, Freedom 2020 Fund, Freedom 2030 Fund, Spartan U.S. Equity Index Fund, U.S. Bond Index Fund and Money Market Fund. All income, gains or other amounts from any investment are reinvested in the same investment from which they are received. The amounts are then allocated, as appropriate, to each participant's account balance.

The Blended Income Fund represents a deposit contract with Fidelity's Managed Income Portfolio. Contributions are maintained in pooled accounts. The account is credited with earnings on the underlying investments at various rates and charged for Plan withdrawals. The financial statements reflect the contract/market values as reported by Fidelity as of the Plan year-end.

8

Employer matching contributions are invested solely in Common Stock of SL Industries, Inc. Until a participant is fully vested, the employer matching contribution credited to the participant's account cannot be liquidated.

The remaining funds are Fidelity separate investment accounts and are carried at market value as reported by Fidelity as of the Plan year-end. The fair value of the SL Industries, Inc. Common Stock is based on the market price as quoted on the New York Stock Exchange.

The Plan presents in the statement of changes in net assets available for benefits the net depreciation in investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation of those investments.

Interest and dividend income are recorded as earned on an accrual basis.

During 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$1,992,836 as follows:

Mutual Funds:	\$ 770,255
Common Stock:	1,222,581

	\$ 1,992,836

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

December 31	
2001	2000
-----	-----

Edgar Filing: SL INDUSTRIES INC - Form 11-K

Blended Income Fund	\$3,294,441	\$3,936,202
SL Industries, Inc. Common Stock *	1,313,922	2,539,342
Fidelity Growth and Income Portfolio	1,408,216	1,707,670
Fidelity Low Priced Stock Fund	1,549,482	945,049
Fidelity Mid-Cap Stock Fund	1,570,482	1,885,075
Spartan U.S. Equity Index Fund	1,059,777	1,382,013

*Participant-directed and nonparticipant-directed.

Information about the significant components of the changes in net assets relating to the SL Industries, Inc. Common Stock, which is both a participant-directed and a nonparticipant-directed investment option, is as follows:

	Year Ended	December 31, 2001

Changes in Net Assets:		
Contributions	\$	1,131,975
Dividends		1,301
Net depreciation		(1,222,581)
Benefits paid to participants		(234,938)
Transfers/Loan Activity		(901,177)

Net Changes		\$ (1,225,420)

9

Contributions:

Elective Contributions:

Employees' contributions are based upon authorized payroll withholdings. Participants may make elective deferrals of up to an annual maximum of the lesser of 20% of their annual compensation, as defined by the Plan, or \$10,500 in the calendar year of 2001, thereafter as adjusted by the Secretary of the Treasury.

Matching Employer Contributions:

The employer's match is fifty percent (50%) of the participant's elective deferrals, not to exceed six percent (6%) of participant's compensation. Matching employer contributions have been invested solely in Common Stock of SL Industries, Inc.

Profit Sharing Contributions:

A profit sharing contribution can be made annually to all Plan

Edgar Filing: SL INDUSTRIES INC - Form 11-K

participants who have earned at least 1,000 hours of service during the Plan year, with the exception of participants who are disabled, die or retire. This is a discretionary contribution determined by resolution of the Board of Directors. Profit sharing contributions are invested in accordance with the election of each participant.

Benefits:

At the time of separation, the vested portion of a participant's account represents the participant's accumulated benefit. If a participant's account balance is less than \$5,000, a lump sum distribution will be made regardless of whether the participant requests a distribution. A participant who has an account balance of \$5,000 or greater may elect to: (1) continue to invest their accumulated benefit in the Plan until their normal retirement date; (2) purchase a qualified joint and survivor annuity; (3) receive payment in one lump sum; or (4) have any portion paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

At the retirement date, a participant may elect to receive their retirement benefit in one lump sum payment, in various types of installments, or in the form of a qualified joint and survivor annuity. The amount of benefit payment depends on the value of the participant's account and the retirement benefit option the participant elects.

Vesting:

Participants become immediately vested in their elective deferral contributions plus actual earnings and their employer's profit sharing contributions. Employer matching contributions become vested as follows:

10

Years of Service -----	Percentage Vested -----
Five years or more	100%
Four years or more, but less than five years	80%
Three years or more, but less than four years.	60%
Two years or more, but less than three years	40%
One year or more, but less than two years	20%
Less than one year	0%

In determining years of service for vesting, the Plan considers service from the participant's date of hire. Only whole years of service will be counted for vesting purposes. The nonvested portion of a participant's account, if any, will be forfeited in accordance with the provisions of the Plan. Forfeitures will be allocated to the remaining participants' accounts on a prorated basis as defined by the Plan.

Participant Loans:

The Plan makes loans to a participant, using the participant's account

Edgar Filing: SL INDUSTRIES INC - Form 11-K

balance as collateral. The minimum loan amount is \$1,000 and may not exceed the lesser of \$50,000 or one-half of the participant's vested account balance. Loans bear interest at an interest rate as determined by the Plan Administrator based upon the prevailing rates of interest charged by persons in the business of lending money. The interest rates on the participant loans receivable as of December 31, 2001 and December 31, 2000 range from 5.5% to 10.25% and 7.0% to 10.25%, respectively. The term of any loan to a participant shall be no greater than five years, except in the case of a loan to acquire a dwelling unit that is considered a principal residence, in which case the term is 10 years.

3. Plan Termination -----

While SL Industries, Inc. has not expressed any intent to do so, it may terminate the Plan at any time, subject to the penalties set forth in ERISA, as amended. In the event of such Plan termination, participants will become 100% vested in their accounts.

4. Reconciliation to Form 5500 -----

As of December 31, 2001 and December 31, 2000, the Plan had \$0 and \$219,349, respectively, of pending distributions to participants who elected to withdraw from the Plan. The year 2000 amount was recorded as a liability in the Plan's Form 5500; however, the amount was not recorded as a liability in the accompanying statement of net assets available for benefits in accordance with generally accepted accounting principles.

11

5. Administrative Expenses -----

Administrative expenses of the Plan have been paid by SL Industries, Inc., with the exception of asset management fees, which have been paid by the Plan. Total asset management fees expensed in the fiscal years ended December 31, 2001 and December 31, 2000 were \$1,973 and \$466, respectively.

6. Tax Status -----

The Internal Revenue Service has issued a favorable determination letter stating that the Plan meets the requirements for qualification pursuant to Section 401(a) of the Internal Revenue Code (the "Code") and that the Plan is exempt from federal income taxes under Section 501(a) of the Code. Although the Plan has been amended since receiving the determination letter, management believes they are operating the Plan in accordance with the Code. Accordingly, there is no provision for income taxes in the accompanying financial statements.

Edgar Filing: SL INDUSTRIES INC - Form 11-K

12

Schedule I

SL INDUSTRIES, INC. SAVINGS AND PENSION PLAN
 EIN: 21-0682685
 FORM 5500, SCHEDULE H, LINE 4i
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
 DECEMBER 31, 2001

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost
	Common Stock		
*	SL Industries, Inc.	Common Stock	2,031,866
	Common Trust Fund		
	Fidelity	Blended Income Fund	3,294,441
	Fidelity	Fidelity Puritan Fund	740,871
	Fidelity	Fidelity Growth & Income Portfolio	1,619,168
	Fidelity	Fidelity Low-Priced Stock Fund	1,395,604
	Fidelity	Fidelity Diversified Int'l Fund	325,257
	Fidelity	Fidelity Mid-Cap Stock Fund	1,446,436
	Fidelity	Fidelity Freedom Income Fund	66,184
	Fidelity	Fidelity Freedom 2000 Fund	238,968
	Fidelity	Fidelity Freedom 2010 Fund	611,193
	Fidelity	Fidelity Freedom 2020 Fund	803,099
	Fidelity	Fidelity Freedom 2030 Fund	545,805
	Fidelity	Spartan U.S. Equity Index Fund	1,147,879
	Fidelity	Fidelity U.S. Bond Index Fund	309,531
	Fidelity	Money Market Fund	21,003
*	Participant Loans Receivable	Loans, ranging 1-10 years maturity with interest rates of 5.5%-10.25%	413,755
			----- 15,011,060 =====

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

13

Edgar Filing: SL INDUSTRIES INC - Form 11-K

Exhibit Index

Number	Description
23.1	Consent of Independent Accountants, Goldenberg Rosenthal, LLP for the year ended December 31, 2001
23.2	Notice Regarding Consent of Arthur Andersen LLP