

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

SENECA FOODS CORP /NY/  
Form 11-K  
June 25, 2003

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

For the Year Ended December 31, 2002

Seneca Foods Corporation Employees' Savings Plan  
(Full title of the Plan)

Seneca Foods Corporation  
(Name of issuer of the securities held pursuant to the Plan)

3736 South Main Street, Marion, New York 14505  
(Address of principal executive office)

REQUIRED INFORMATION

1. Plan financial statements and schedules examined by an independent accountant prepared in accordance with financial reporting requirements of ERISA.  
  
See accompanying index on page 3.
2. Signature

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

REPORT ON AUDITS OF FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

FOR THE YEARS ENDED  
DECEMBER 31, 2002 AND 2001

Bobbitt, Pittenger & Company, P.A.

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

CONTENTS	PAGE
FINANCIAL STATEMENTS	
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS	1
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS	2
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	3
NOTES TO FINANCIAL STATEMENTS	4
SUPPLEMENTAL SCHEDULE	
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES	8

June 12, 2003

Seneca Foods Corporation  
Employees' Savings Plan  
Williamsburg, New York

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

We have audited the accompanying statements of net assets available for benefits of the Seneca Foods Corporation Employees' Savings Plan ("the Plan") as of

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

December 31, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years then ended. 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 audits 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, 2002 and 2001, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the foregoing Table of Contents 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 Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/Bobbitt, Pittenger & Company, P.A.

Certified Public Accountants

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December

2002

----

ASSETS

INVESTMENTS:

At fair value:

MFS Total Return	\$ 6,044,205
Growth and Income Fund	4,551,818
Stock Index Fund	4,126,358

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

Stable Value Fund	4,621,127
Seneca Foods Corp. common stock	4,424,816
International Fund	572,119
Balanced Fund	268
Total investments	24,340,711
LOANS RECEIVABLE	143,664
CONTRIBUTIONS RECEIVABLE	
Employer	440,293
Employee	81,920
Total contributions receivable	522,213
NET ASSETS AVAILABLE FOR BENEFITS	\$25,006,588

-2-

Certified Public Accountants

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS

	Year Ended D ----- 2002 ----
ADDITIONS	
Participant contributions	\$ 3,836,648
Employer contributions	477,386
Net depreciation in fair value of investments	(2,892,639)
Interest and dividend income	433,968
Total additions	1,855,363
DEDUCTIONS	
Withdrawals by participants	(1,775,444)
NET INCREASE	79,919

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	24,926,669
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$25,006,588

-3-

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2002 AND 2001

NOTE A - DESCRIPTION OF PLAN

The following description of Seneca Foods Corporation Employees' Savings Plan ("the Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan intended to qualify as a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code. Substantially all employees of Seneca Foods Corporation ("the Company") are eligible to participate after completion of twelve months employment and attainment of age twenty-one. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Participants may elect to contribute, on a pro-tax basis (elective deferrals), from 1% to 15% of their compensation up to a maximum of \$11,000 for the year ending December 31, 2002. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company may contribute additional amounts at the discretion of the Company's Board of Directors. During the year ended December 31, 2002 the Company contributed twenty-five percent of the first four percent of base compensation that a participant contributes to the Plan. The Company contributions are invested directly in Seneca Foods Corporation common stock and are allocated to participants based on the participants pro rata share of total participating payroll.

Vesting

Participants are immediately vested in all elective contributions and related earnings. Matching contributions made by the Plan sponsor fully vest after a service period of five years.

Payment of Benefits

After termination of service, the participant's account balance is generally distributed in a lump sum if the balance is less than \$3,500.

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/or to terminate

## Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

the Plan subject to the provisions of ERISA. In the event of plan termination, the Administrator shall determine the method of distribution of the participants' accounts in accordance with the provisions of the plan.

-4-

### SENECA FOODS CORPORATION EMPLOYEES' SAVINGS PLAN

#### NOTES TO FINANCIAL STATEMENTS

##### NOTE A - DESCRIPTION OF PLAN (CONTINUED)

###### Participant Accounts

Each participants' account is credited with the participants' contribution and allocations of (a) additional Company contributions (if any), and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participants' vested account.

##### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

###### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

###### Valuation of Investments

All investments are valued at fair value as determined by quoted market prices. Current year increases or decreases in market value are recognized as investment appreciation or depreciation. All security transactions are recorded as of the trade date. Participant-directed investments may be made in the following funds: (1) Scudder Stable Value Fund; (2) Scudder Balanced Fund; (3) Scudder Growth and Income Fund; (4) Scudder Value Fund; (5) Scudder International Fund; (6) Scudder Stock Index Fund, (7) MFS Total Return Fund, and (8) Seneca Foods Corp. Company Stock (see Note G).

###### Payment of Benefits

Benefits are recorded when paid. As of December 31, 2002, net assets available for benefits included benefits of \$1,850,614 due to participants who have withdrawn from participation in the Plan.

###### 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

NOTE C - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated April 30, 1999, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code.

-5-

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE D - INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets at D

	2002 ----
MFS Total Return	\$6,044,205
Growth and Income Fund	4,551,818
Stock Index Fund	4,126,358
Stable Value Fund	4,621,127
Seneca Foods Corp. common stock	4,424,816*

\* Nonparticipant-directed

During 2002, the Plan's investments (including gains and losses on investments bought and sold, a during the year) changed in value as follows:

Mutual funds	\$(3,079,427)
Common stock	186,788
	-----
	\$(2,892,639)
	=====

NOTE E - NONPARTICIPANT-DIRECTED INVESTMENTS

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

	2002 ----
Net assets:	
Seneca Foods Corp. common stock	\$4,424,816
	=====
Changes in net assets:	
Contributions	\$1,015,533
Net appreciation in fair value	186,788
Withdrawals by participants	(54,720)
Net transfers to participant-directed investments	(284,405)
	-----
	\$ 863,196

=====

-6-

SENECA FOODS CORPORATION  
 EMPLOYEES' SAVINGS PLAN  
 NOTES TO FINANCIAL STATEMENTS

NOTE F - RECONCILIATION OF FINANCIAL STATEMENTS  
 TO SCHEDULE H OF FORM 5500

Form 5500 for 2002 was prepared using the cash basis method of accounting. The financial statements have been prepared on the accrual basis method of accounting.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2002 to Schedule H of the Form 5500:

Net assets available for benefits per the financial statements	\$25,006,588
Less employer accounts receivable included in financial statements	(440,293)
Less employee accounts receivable included in financial statements	(81,920)
	-----
Net assets available for benefits per Schedule H of form 5500	\$24,484,375
	=====

NOTE G - SUBSEQUENT EVENT

Effective January 1, 2003 the Company changed the trustee of the Plan. Some investment options offered under the Plan were changed due to the appointment of the new trustee. Participant holdings in funds available only through the previous trustee were liquidated and transferred to the successor trustee and invested in the new options.

-7-

SUPPLEMENTAL SCHEDULE



Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

SENECA FOODS CORPORATION  
EMPLOYEES' SAVINGS PLAN

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
DECEMBER 31, 2002

Identity of Issue, Borrower, Lessor or Similar Party -----	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value -----	Cost ----
Mutual Funds	MFS Total Return	\$ 6,520,650
	Balanced Fund	278
	Growth and Income Fund	6,724,694
	Stock Index Fund	5,764,983
	Stable Value Fund	4,602,596
	International Fund	847,743
Seneca Foods Corp. Company Stock	Common stock	3,851,429
Loan Fund	Average interest rate of 7.25%	143,664
		-----
TOTAL ASSETS HELD FOR INVESTMENT PURPOSES		\$28,456,037 =====

-8-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Seneca Foods Corporation  
Employees' Savings Plan

Edgar Filing: SENECA FOODS CORP /NY/ - Form 11-K

(Name of Plan)

June 25, 2003

/s/Kraig H. Kayser

-----  
Kraig H. Kayser  
Sponsor of Seneca Foods  
Corporation Employees'  
Savings Plan