

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

WATER PIK TECHNOLOGIES INC

Form 11-K

June 29, 2001

1

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 FISCAL YEAR ENDED DECEMBER 31, 2000

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-15297

WATER PIK TECHNOLOGIES, INC. RETIREMENT PLAN

WATER PIK TECHNOLOGIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

25-1843384
(IRS EMPLOYER
IDENTIFICATION NO.)

23 CORPORATE PLAZA, SUITE 246
NEWPORT BEACH, CA 92660

(NAME AND ADDRESS OF PRINCIPAL EXECUTIVE OFFICE OF ISSUER OF SECURITIES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (949) 719-3700

2

SIGNATURES

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

WATER PIK TECHNOLOGIES, INC.
RETIREMENT PLAN

By: /s/ Theresa Hope-Reese

Theresa Hope-Reese, Member,

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

Administrative Committee of the
Water Pik Technologies, Inc. Retirement Plan

Date: June 27, 2001

3

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
Water Pik Technologies, Inc. Retirement Plan
Period from April 1, 2000 (inception date) to December 31, 2000
with Report of Independent Auditors

4

Water Pik Technologies, Inc. Retirement Plan
Audited Financial Statements and Supplemental Schedule
Period from April 1, 2000 (inception date) to December 31, 2000

CONTENTS

Report of Independent Auditors1

Audited Financial Statements

Statement of Net Assets Available for Benefits2

Statement of Changes in Net Assets Available for Benefits.....3

Notes to Financial Statements4

Supplemental Schedule

Schedule H, Line 4(i) -- Schedule of Assets (Held at End of Year).....11

5

Report of Independent Auditors

Personnel and Compensation Committee
Water Pik Technologies, Inc.

We have audited the accompanying statement of net assets available for benefits of the Water Pik Technologies, Inc. Retirement Plan as of December 31, 2000, and the related statement of changes in net assets available for benefits for the period from April 1, 2000 (inception date) to December 31, 2000. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

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 financial statements referred to above present fairly, in all material respects, the net assets available for benefits at December 31, 2000, and the changes in its net assets available for benefits for the period from April 1, 2000 (inception date) to December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2000 is presented for the purpose of additional analysis and is not a required part of the 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. This supplemental schedule is the responsibility of the Plan's Management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Woodland Hills, California
June 1, 2001

1

6

Water Pik Technologies, Inc. Retirement Plan
Statement of Net Assets Available for Benefits
December 31, 2000

ASSETS

Investments at fair value:

Mutual funds	\$13,306,345
Money market funds	2,987,823
Common stock	492,518
Participant loans	533,722

Total investments 17,320,408

Contributions receivable 66,827

Total assets 17,387,235

LIABILITIES

Refunds of excess contributions 83,680

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

Net assets available for benefits \$17,303,555
=====

See accompanying notes.

7

2

Water Pik Technologies, Inc. Retirement Plan

Statement of Changes in Net Assets Available for Benefits

Period from April 1, 2000 (inception date) to December 31, 2000

Additions:

Contributions:

Employer	\$ 1,800,987
Employee	2,263,757
Interest and dividend income	816,684
Transfers to plan	15,025,693

Total additions	19,907,121
-----------------	------------

Deductions:

Distributions to participants	801,653
Net depreciation in fair value of investments	1,796,946
Other, net	4,967

Total deductions	2,603,566

Net increase	17,303,555
--------------	------------

Net assets available for benefits at beginning of year	--

Net assets available for benefits at end of year	\$17,303,555
	=====

See accompanying notes.

8

3

Water Pik Technologies, Inc. Retirement Plan

Notes to Financial Statements

December 31, 2000

1. DESCRIPTION OF THE PLAN

The Water Pik Technologies, Inc. Retirement Plan (the Plan) was established on April 1, 2000.

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

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

GENERAL

The Plan is a defined contribution plan. All regularly scheduled full-time and part-time U.S. domestic employees of Water Pik Technologies, Inc. (the Company) are eligible to participate in the Plan on the date of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

CONTRIBUTIONS

Participants may make contributions of between 1% and 15% of pretax annual compensation, as defined in the Plan, up to an annual maximum as determined by the Internal Revenue Service. Each pay period, the Company matches 50% of contributions of employees who have completed 90 days of service up to a maximum of the greater of 3% of compensation, as defined, or \$1,000.

Each plan year, for employees who have completed 90 days of service, the Company also contributes non-elective contributions of 2.0% of hourly active participants' compensation, as defined, and 4.5% of salaried active participants' compensation, as defined. In addition, the Company may make annual discretionary contributions in an amount to be determined at the end of the plan year by the Board of Directors. There were no discretionary contributions to the Plan from April 1, 2000 (inception date) to December 31, 2000.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions, the Company's matching, non-elective and discretionary contributions and an allocation of the Plan's earnings. Allocations of Plan earnings are based on participant account balances. Participants are entitled to the vested balances in their accounts.

4

9

Water Pik Technologies, Inc. Retirement Plan

Notes to Financial Statements (continued)

1. DESCRIPTION OF THE PLAN (CONTINUED)

PARTICIPANT ACCOUNTS (CONTINUED)

Participants direct contributions, including Company matching, non-elective and discretionary contributions, into one or more investment options offered by the Plan. Participants can choose to invest their contributions in the common stocks of Water Pik Technologies, Inc., Teledyne Technologies, Inc. and Allegheny Technologies Incorporated, and in the following Fidelity funds: Fidelity Fund, Retirement Money Market Portfolio, Managed Income Portfolio, Capital and Income Fund, U.S. Bond Index Fund, Spartan(R) U.S. Equity Index Fund, Aggressive Growth Fund, Dividend Growth Fund, Low-priced Stock Fund, OTC Portfolio, Diversified International Fund, Overseas Fund, Freedom Income Fund (SM), Freedom 2000 Fund (SM), Freedom 2010 Fund (SM), Freedom 2020 Fund (SM) and Freedom 2030 Fund (SM).

PARTICIPANT LOANS

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of (a) \$50,000 or (b) 50% of their vested account balance. Loans are repayable over periods of up to five years (ten years for loans to purchase the participant's primary residence). A participant may have only one loan outstanding at any time. Outstanding participant loans must be repaid upon the participant's termination of employment with the Company.

Loans are secured by the balance in the participant's account and bear interest at the prime interest rate as published in The Wall Street Journal on the first business day of each calendar quarter preceding the loan origination date.

Water Pik Technologies, Inc. Retirement Plan
Notes to Financial Statements (continued)

1. DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

Participants are fully vested in their contributions and all earnings thereon. All eligible employees of the Company as of March 31, 2000 are fully vested in Company matching contributions regardless of years of service. Eligible employees hired subsequent to March 31, 2000 vest in Company matching contributions under the following schedule:

YEARS OF SERVICE -----	VESTING PERCENTAGE -----
1 year	25%
2 years	50%
3 years	75%
4 years	100%

Non-elective Company contributions for all participants vest in accordance with the above vesting schedule.

WITHDRAWALS AND DISTRIBUTIONS

The Plan allows for participants to make withdrawals from the Plan upon reaching age 59 1/2 or in the case of serious financial hardship, as approved by the administrator. Additionally, the value of participant's contributions and the value of all vested Company contributions are payable to participants upon death, disability, retirement or upon termination of employment with the Company. At the participant's election, payment may be made in cash as a single lump sum or in installments.

ADMINISTRATIVE EXPENSES

The Company pays administrative expenses, which include recordkeeping, trustee fees and expenses of the Company incurred in administering the Plan. Participants pay loan origination and servicing fees.

FORFEITED ACCOUNTS

Forfeitures of terminated participant's unvested amounts are used to reduce administrative expenses under the Plan, if any. Any remaining forfeited balances are applied to reduce future Company contributions.

6

11

Water Pik Technologies, Inc. Retirement Plan

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires the Plan's administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

VALUATION OF INVESTMENTS AND INVESTMENT INCOME

All money market and other mutual funds are stated at fair value at December 31, 2000 as determined by the Trustee. All participant loans are valued at cost, which approximates fair value.

Common stock is stated at the quoted market price at December 31, 2000 as listed on the New York Stock Exchange. At December 31, 2000, the quoted market price of the common stock of Water Pik Technologies, Inc., Teledyne Technologies, Inc. and Allegheny Technologies Incorporated was \$7.00, \$23.63 and \$15.88, respectively.

3. PLAN ASSET TRANSFERS

The Company became an independent public company on November 29, 1999 through a spin-off from Allegheny Technologies Incorporated. Prior to the spin-off and through March 31, 2000, the Company's employees participated in the Teledyne 401(k) Plan sponsored by Allegheny Technologies Incorporated. The Company's employees' account balances under that plan were transferred to the Plan effective April 1, 2000. The annual report for the Teledyne 401(k) Plan is filed by Allegheny Technologies Incorporated.

7

12

Water Pik Technologies, Inc. Retirement Plan

Notes to Financial Statements (continued)

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

3. PLAN ASSET TRANSFERS (CONTINUED)

In May 1996, the Company acquired Jandy Industries, Inc. (Jandy). Jandy's employees continued to participate in the Jandy Industries Inc. Employees Savings Plan (the Jandy Plan). Effective January 1, 1997, the Jandy Plan assets were frozen and participants were enrolled in the Teledyne 401(k) Plan. Effective July 28, 2000, the assets of the Jandy Plan were transferred into the Company's Plan. The Plan was amended to reflect and allow this asset transfer.

The assets transferred to the Plan during the period from April 1, 2000 (inception date) to December 31, 2000 were as follows:

TRANSFER FROM -----	ASSETS TRANSFERRED -----
Teledyne 401(k) Plan	\$12,779,157
Jandy Industries Inc. Employees Savings Plan	2,246,536

	\$15,025,693
	=====

4. INVESTMENTS

The following presents investments of the Plan at December 31, 2000.

Mutual funds:

Fidelity OTC Portfolio	\$ 357,009
Fidelity Aggressive Growth Fund	620,032
Fidelity Diversified International Fund	551,364
Fidelity Dividend Growth Fund	2,123,442
Fidelity Freedom 2010 Fund (SM)	664,698
Fidelity Freedom 2020 Fund (SM)	1,632,925
Fidelity Freedom 2030 Fund (SM)	1,508,051
Spartan(R) U.S. Equity Index Fund	5,001,217
Fidelity U.S. Bond Index Fund	602,603
Other	245,004

Total mutual funds	13,306,345

4. INVESTMENTS (CONTINUED)

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

Money market funds:	
Fidelity Retirement Money Market Portfolio	\$ 2,987,823

Total money market funds	2,987,823
Common stock:	
Water Pik Technologies, Inc. common stock	190,485
Teledyne Technologies, Inc. common stock	92,840
Allegheny Technologies, Incorporated common stock	209,193

Total common stock	492,518
Participant loans	533,722

Total investments	\$17,320,408
	=====

During the period from April 1, 2000 (inception) to December 31, 2000, the Plan's instruments (including investments purchased, sold, as well as held during the period) appreciated (depreciated) in fair value as follows:

Mutual funds	\$(1,750,305)
Money market funds	--
Common stock	(46,641)

	\$(1,796,946)
	=====

5. TAX STATUS OF THE PLAN

The Plan is based on a prototype plan document designed to qualify under Section 401(a) of the Internal Revenue Code (the Code). This prototype plan is currently in the Remedial Amendment Process. Under Revenue Procedure 2000-20, the Internal Revenue Service is allowing plans based on prototype plans in the Remedial Amendment Process to operate without a determination letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

9

14

Water Pik Technologies, Inc. Retirement Plan

Notes to Financial Statements (continued)

6. PLAN TERMINATION

The Company intends to continue the Plan for the benefit of its employees; however, the Company reserves the right under the Plan to amend or terminate the Plan at any time by resolution of its Board of Directors subject to the provisions of ERISA. Upon such termination, all amounts credited to the participants' accounts shall become 100% vested, all assets of the Plan shall be

Edgar Filing: WATER PIK TECHNOLOGIES INC - Form 11-K

distributed to the participants, and the obligation of the Company to make contributions would cease.

7. TRANSACTIONS WITH PARTIES-IN-INTEREST

During the year ended December 31, 2000, there were transactions involving investment of plan assets in investment funds maintained by the Plan trustees, parties-in-interest as defined in Section 3(14) of ERISA. One of the Plan's investment options is Water Pik Technologies, Inc. common stock which is purchased by the Plan trustee in the open market.

15

10

Supplemental Schedule

16

Water Pik Technologies, Inc. Retirement Plan

EIN: 25-1843384 Plan: 001

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

December 31, 2000

IDENTITY OF ISSUE -----	DESCRIPTION OF ASSET -----	CUR VA
Fidelity Fund*	2,497.473 shares	\$
Fidelity Capital & Income Fund*	3,000.752 shares	
Fidelity OTC Portfolio*	8,696.933 shares	3
Fidelity Overseas Fund*	504.131 shares	
Fidelity Low-priced Stock Fund*	1,013.961 shares	
Fidelity Aggressive Growth Fund*	17,142.162 shares	6
Fidelity Diversified International Fund*	25,130.541 shares	5
Fidelity Dividend Growth Fund*	70,875.91 shares	2,1
Fidelity Freedom Income Fund (SM)*	454.804 shares	
Fidelity Freedom 2000 Fund (SM)*	7,675.883 shares	
Fidelity Freedom 2010 Fund (SM)*	48,027.337 shares	6
Fidelity Freedom 2020 Fund (SM)*	112,151.418 shares	1,6
Fidelity Freedom 2030 Fund (SM)*	100,536.723 shares	1,5
Fidelity Retirement Money Market Portfolio*	2,987,822.71 shares	2,9
Fidelity Managed Income Portfolio*	3,511.4 shares	
Spartan(R) U.S. Equity Index Fund	106,840.792 shares	5,0
Fidelity U.S. Bond Index Fund*	56,902.988 shares	6
Water Pik Technologies, Inc. Common Stock*	27,212.179 shares	1
Teledyne Technologies, Inc. Common Stock	3,929.732 shares	
Allegheny Technologies Incorporated Common Stock	13,177.479 shares	2
Participant loans	various maturities	5
		----- \$17,3 =====

*Party-in-Interest

17

EXHIBIT INDEX

EXHIBIT

DESCRIPTION

23.1 Consent of Ernst & Young LLP, Independent Auditors. (Filed herewith.)