

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

ARMSTRONG WORLD INDUSTRIES INC
Form 11-K
June 28, 2001

FORM 11-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

(Mark One)

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

For the fiscal year ended December 31, 2000

OR

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

For the transition period from _____ to _____

Commission file numbers 1-2116 and 333-32530

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN
(Full title of the Plan)

ARMSTRONG WORLD INDUSTRIES, INC.
ARMSTRONG HOLDINGS, INC.
2500 Columbia Avenue Lancaster, Pennsylvania 17604
(Name of issuer of the securities held pursuant to the Plan
and the address of its principal executive office)

1

	Page No.

Item 1. Independent Auditors' Report -----	4
Item 2. Statements of Net Assets Available for Benefits ----- December 31, 2000 and 1999	5
Item 3. Statements of Changes in Net Assets Available for Benefits ----- Years ended December 31, 2000 and 1999	6
Notes to Financial Statements	7-12
Schedule of Assets Held for Investment Purposes	13
Exhibits -----	14
Consent of Independent Auditors	

2

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the committee constituting the administrator which administers the plan have duly caused this annual report to be signed by the undersigned hereunto duly authorized.

TRIANGLE PACIFIC CORP. NON-UNION HOURLY
EMPLOYEES' 401(K) PLAN

June 28, 2001

By: /s/: Jennifer E. Wisdom

Jennifer E. Wisdom
Vice President Human Resources

3

Independent Auditors' Report

To the Profit Sharing Committee of the
Triangle Pacific Corp. Non-Union Hourly
Employees' 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of the Triangle Pacific Corp. Non-Union Hourly Employees' 401(k) Plan as of December 31, 2000 and 1999, 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 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 Triangle Pacific Corp. Non-Union Hourly Employees' 401(k) Plan as of December 31, 2000 and 1999, 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 performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes 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 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 in relation to the basic financial statements taken as a whole.

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

KPMG LLP

Dallas, Texas

May 28, 2001

4

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES 401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2000 and 1999

	2000	1999
	-----	-----
Assets:		
Investments, at fair value (note 5):		
Armstrong Holdings, Inc. common stock	\$ 8,277	\$ 6,359
Fidelity Magellan Fund	198,914	204,625
Fidelity Equity Income Fund	231,114	189,749
Fidelity Intermediate Bond Fund	119,463	91,837
Fidelity Overseas Fund	23,248	28,203
Fidelity Asset Manager Fund	75,608	66,694
Fidelity Retirement Money Market Fund	191,616	156,671
	-----	-----
Total investments	848,240	744,138
	-----	-----
Receivables - participants (note 2)	3,856	2,526
	-----	-----
Total assets	852,096	746,664
	-----	-----
Net assets available for benefits	\$ 852,096	\$ 746,664
	=====	=====

See accompanying notes to financial statements.

5

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES 401(k) PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2000 and 1999

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

	2000
Additions to net assets attributed to:	
Investment income:	
Interest and dividend income	\$ 52
Net appreciation (depreciation) in fair value of investments (note 5)	(50)
Net investment income	2
Contributions - participants (note 2)	190
Total additions	192
Deductions from net assets attributed to benefits paid to participants (notes 2 and 3)	(87)
Net increase	105
Net assets available for benefits at beginning of year	746
Net assets available for benefits at end of year	\$ 852

See accompanying notes to financial statements.

6

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(1) General Information

The Triangle Pacific Corp. Non-Union Hourly Employees' 401(k) Plan (the Plan) became effective on July 1, 1996. On July 22, 1998, Triangle Pacific Corp. was acquired by Armstrong World Industries, Inc. (a subsidiary of Armstrong Holdings, Inc.). The Board of Directors of Triangle Pacific Corp. intends to continue providing retirement benefits through the Company's defined contribution plans.

(2) Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for more detailed information.

(a) General

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

The Plan is a defined contribution plan which provides retirement benefits to hourly employees of Triangle Pacific Corp. (the Company) who are not members of a collective bargaining agreement who work at least 1,000 hours annually, with new participants required to be at least 21 years of age and employed by the Company at least one year. The Plan is administered by Bruce Hardwood Flooring, LLC, a subsidiary of Triangle Pacific Corp., and advised by the profit sharing Committee appointed by the Board of Directors of the Company. The Plan is subject to the provisions of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions

Participants are permitted to contribute up to 10% of their eligible compensation to the Plan, as defined by the Plan documents. Participants may elect to invest their contributions in any of the available investment funds offered by the Fidelity Management Trust Company, the Trustee. Participants are able to direct all contributions to their account in 10% increments to the investment funds offered by the Trustee. Participants are immediately fully vested in their voluntary contributions plus actual earnings thereon.

(c) Participant Accounts

Each participant's account is credited with the participant's contribution and Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

7

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(d) Investment Options

Elective and nondeductible contributions may be invested in a guaranteed income fund, fixed income funds, equity funds or a money market fund at the option of the participating employee. The Plan has investment options available to which participants may allocate their contributions as follows:

- Armstrong Holdings, Inc. Common Stock - Effective April 1, 1999, the Plan was amended to include Armstrong World Industries, Inc. common stock as one of the investment options. On May 1, 2000, Armstrong Holdings, Inc. acquired the stock of Armstrong World Industries, Inc. An indirect holding in Armstrong World Industries, Inc. makes up substantially all of the assets of Armstrong Holdings, Inc. Armstrong Holdings, Inc. is publicly traded on the New York Stock Exchange. On December 6, 2000, Armstrong World Industries, Inc. filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in Wilmington, DE in order to use the court-supervised reorganization process to achieve a resolution of its asbestos liability. Triangle Pacific Corp. was not included in the filing. As of December 19, 2000, the Plan was amended to eliminate the

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

Armstrong Holdings, Inc. Common Stock fund as an investment option effective with contributions made on or after December 27, 2000 and transfers processed on or after January 1, 2001.

- . Fidelity Magellan Fund - The Fidelity Magellan Fund is a diversified portfolio of common stocks of domestic and foreign issuers. The portfolio seeks capital appreciation by investing in growth stocks, value stocks or both.
- . Fidelity Equity Income Fund - The Fidelity Equity Income Fund has a primary objective of seeking reasonable income by investing 65% of total assets in foreign and domestic income producing equity securities, such as stocks, bonds and other debt securities. The fund also seeks capital appreciation when consistent with its primary objective.
- . Fidelity Intermediate Bond Fund - The Fidelity Intermediate Bond Fund has a primary objective of seeking high current income by investing in U.S. dollar-dominated investment grade debt securities with maturities between three to ten years. The Lehman Brothers' Intermediate Government/Corporate Bond Index is used as a guide in structuring the fund and selecting the investments.
- . Fidelity Overseas Fund - The Fidelity Overseas Fund seeks long-term growth of capital by primarily investing in the common stock of foreign issuers.

8

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN

Notes to Financial Statements

December 31, 2000 and 1999

- . Fidelity Asset Manager Fund - The Fidelity Asset Manager Fund strives for high total return with reduced risk over the long term. The fund pursues this goal with diversified investments of stocks, bonds and short-term and money market instruments, both domestic and international, while maintaining a diversified mix of securities.
- . Fidelity Retirement Money Market Fund - The Fidelity Retirement Money Market Fund seeks to earn a high level of current income while maintaining a stable \$1.00 share price by investing in high-quality, short-term securities. These securities may include, but are not limited to, high-quality short-term U.S. dollar denominated money market securities, domestic and foreign issuers.

(e) Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum distribution or a rollover into another investment. Any disbursement less than \$3,500 is required to become distributed in a lump-sum payment. The timing of the lump-sum payment will be determined by the Plan administrator or disbursed within 30 days upon filing a notice with the Employee Benefits Department.

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

(3) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value and have been determined based on closing market quotations. Purchases and sales of securities are recorded by the trustee at current cost on the trade date. Realized and unrealized gains (losses) on investments are based on the fair value of the assets at the beginning of the Plan year or at the time of purchase during the year. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(c) Administration Expenses

In accordance with the provisions of the Plan, unless paid by the Company, all costs of administering the Plan are charged to the Plan. During 2000 and 1999, all significant expenses were paid by the Company (\$8,783 in 2000 and \$10,000 in 1999, respectively).

(d) Payment of Benefits

Benefits are recorded when distributed.

9

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(e) Rollover Contributions

Employee rollovers represent receipts from employees receiving distributions from their previous employers' qualified plan(s).

(f) Use of Estimates

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

(4) Units

Participant accounts are assigned investment fund units/shares. The net asset value per unit/share by fund/account for the 2000 and 1999 calendar quarters ended is as follows:

2000 quarters ended

Uni

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

		March 31	June 30	September 30	December 31	December 31, 1999
Armstrong Holdings, Inc. common stock	\$	17.88	\$ 15.30	\$ 11.94	\$ 2.07	4
Fidelity Magellan Fund		143.25	134.63	133.84	119.30	1
Fidelity Equity Income Fund		50.62	50.37	53.71	53.43	4
Fidelity Intermediate Bond Fund		9.75	9.75	9.86	10.04	11
Fidelity Overseas Fund		48.27	45.73	42.42	34.37	
Fidelity Asset Manager Fund		19.05	18.80	19.11	16.82	4
Fidelity Retirement Money Market Fund		1.00	1.00	1.00	1.00	191

		1999 quarters ended				December 31, 1999
		March 31	June 30	September 30	December 31	
Armstrong Holdings, Inc. common stock	\$	45.19	\$ 57.81	\$ 44.94	\$ 33.37	
Fidelity Magellan Fund		129.75	129.77	122.02	136.63	1
Fidelity Equity Income Fund		55.92	61.63	56.03	53.48	3
Fidelity Intermediate Bond Fund		10.16	9.96	9.88	9.76	9
Fidelity Overseas Fund		36.99	38.88	41.11	48.01	
Fidelity Asset Manager Fund		17.54	18.08	17.28	18.38	3
Fidelity Retirement Money Market Fund		1.00	1.00	1.00	1.00	156

10

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(5) Investments

The following investments exceed 5% of the Plan's net assets available for Plan benefits at December 31, 2000 and 1999:

		Fair value	
		2000	1999
Fidelity Magellan Fund	\$	198,914	\$ 204,625
Fidelity Equity Income Fund		231,114	189,749

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

Fidelity Intermediate Bond Fund	119,463	91,837
Fidelity Asset Manager Fund	75,608	66,694
Fidelity Retirement Money Market Fund	191,616	156,671
Other - less than 5%	31,525	34,562
	-----	-----
Total investments	\$ 848,240	\$ 744,138
	=====	=====

During 2000 and 1999, the Plan's investments had net realized and unrealized gains (losses) as follows:

	2000	1999
	-----	-----
Common stock	\$ (12,752)	\$ (3,450)
Equity Funds	(34,340)	20,183
Fixed Income Funds	3,251	(4,170)
Equity/Fixed Income Funds	(6,462)	3,413
	-----	-----
Net appreciation (depreciation) in fair value of investments	\$ (50,303)	\$ 15,976
	=====	=====

The components of investment income for the years ended December 31, 2000 and 1999 are as follows:

	2000	1999
	-----	-----
Investment income:		
Interest and dividend income	\$ 52,944	\$ 52,646
Net appreciation (depreciation) in fair value of investments	(50,303)	15,976
	-----	-----
	\$ 2,641	\$ 68,622
	=====	=====

11

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES' 401(K) PLAN

Notes to Financial Statements

December 31, 2000 and 1999

(6) Tax Status of the Plan

The Company has not yet received a determination letter from the Internal Revenue Service as of December 31, 2000. However, the Plan administrator and the Plan's management believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

(7) Plan Termination

Although it has not expressed intent to do so, the Plan administrator has the right to terminate the Plan at any time, subject to the provisions of ERISA.

Edgar Filing: ARMSTRONG WORLD INDUSTRIES INC - Form 11-K

(8) Related Party Transactions

Certain Plan investments are shares of common stock of Armstrong Holdings, Inc. and shares of mutual funds managed by Fidelity Investments. Triangle Pacific Corp. is a wholly-owned subsidiary of Armstrong World Industries, Inc. Fidelity Management Trust Company is the Trustee as defined by the Plan. Therefore, transactions involving these entities and funds qualify as party-in-interest transactions.

(9) Subsequent Events

Effective April 2, 2001, the Plan document was amended to decrease the eligible participation age from 21 to 18 years old.

12

TRIANGLE PACIFIC CORP. NON-UNION HOURLY EMPLOYEES 401(k) PLAN

Schedule of Assets Held for Investment Purposes

at end of year December 31, 2000

Identity of issuer	Description of investment	Current value
Armstrong Holdings, Inc.*	Common stock	\$ 8,277
Fidelity Investments*	Fidelity Magellan Fund	198,914
Fidelity Investments*	Fidelity Equity Income Fund	231,114
Fidelity Investments*	Fidelity Intermediate Bond Fund	119,463
Fidelity Investments*	Fidelity Overseas Fund	23,248
Fidelity Investments*	Fidelity Asset Manager Fund	75,608
Fidelity Investments*	Fidelity Retirement Money Market Fund	191,616
	Total investments	\$ 848,240

* Party-in-interest

See accompanying independent auditors' report.

13