

ANGELICA CORP /NEW/
Form 11-K
July 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 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 1-5674

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

THE ANGELICA CORPORATION
RETIREMENT SAVINGS PLAN

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

ANGELICA CORPORATION
424 South Woods Mill Road
Chesterfield, Missouri 63017-3406

THE ANGELICA CORPORATION
RETIREMENT SAVINGS PLAN

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THE ANGELICA CORPORATION
RETIREMENT SAVINGS PLAN

Financial Statements as of
December 31, 2002 and 2001 and for the
Year Ended December 31, 2002 and
Supplemental Schedule as of
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THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

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SUPPLEMENTAL SCHEDULE:

Form 5500, Schedule H, Part IV, Line 4i--Schedule of Assets Held for

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Investment Purposes at the End of the Year

Certain supplemental schedules required by Rules and Regulations of the Department of Labor are omitted because of the absence of conditions under which they are required.

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Angelica Corporation:

We have audited the accompanying statements of net assets available for plan benefits of The Angelica Corporation Retirement Savings Plan (the "Plan") as of 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 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 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 performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the 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. This 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 in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

June 6, 2003

THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2002 AND 2001

	2002	2001
ASSETS:		
Investments, at fair value	\$ 31,311,280	\$ 38,426,105
Other assets:		
Participant contributions receivable	70,549	93,521
Employer contributions receivable	15,608	20,841
Interest receivable	7,656	7,366
Cash	14,055	49,574
	-----	-----
Total assets	31,419,148	38,597,407
LIABILITIES--Refundable participant contributions	24,059	131,076
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 31,395,089	\$ 38,466,331
	=====	=====

See notes to financial statements.

THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
ADDITIONS:		
Participant contributions	\$ 2,393,750	\$ 2,499,916
Employer contributions	532,238	598,873
Participant rollover contributions	1,279	77,555
Net appreciation in fair value of investments	-	1,201,796

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Interest and dividend income	125,352	169,246
Other additions	7,253	-
	-----	-----
Total additions	3,059,872	4,547,386
	-----	-----
DEDUCTIONS:		
Participant withdrawals	9,526,051	4,176,094
Net depreciation in fair value of investments	605,063	-
Other deductions	-	11,920
	-----	-----
Total deductions	10,131,114	4,188,014
	-----	-----
NET (DECREASE) INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(7,071,242)	359,372
NET ASSETS AVAILABLE FOR PLAN BENEFITS-- Beginning of year	38,466,331	38,106,959
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS-- End of year	\$ 31,395,089	\$ 38,466,331
	=====	=====

See notes to financial statements.

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THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

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

1. DESCRIPTION OF PLAN

The following description of The Angelica Corporation Retirement Savings Plan (the "Plan") is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the plan documents.

GENERAL--The Plan, as amended and restated, was adopted by the Board of Directors of Angelica Corporation (the "Company") to provide participants an opportunity to defer portions of their earnings so as to provide supplementary retirement income and a measure of economic security. The Company is the Plan Administrator and the assets of the Plan are held in trust by UMB Bank (the "Trustee").

ELIGIBLE PARTICIPANTS--The participating employers in the Plan are the Company and its subsidiaries. All full-time employees who are residents of the United States and who have either (i) completed six months of service with the Company and are age 21 or older or (ii)

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completed two years of service, are eligible to participate in the Plan, except for certain classifications of employees who are excluded from plan eligibility (as defined by the Plan).

CONTRIBUTIONS--Eligible employees may contribute up to 12% of their annual compensation to the Plan through payroll deferrals. For each plan year beginning on and after January 1, 2000, the Company provides a matching contribution in an amount equal to 30% of the deferred amount up to, but not exceeding a deferred amount equal to 6% of annual compensation.

PARTICIPANT ACCOUNTS--Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and 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 participant's vested account.

VESTING--The salary deferral and Company matching contributions of each participant's account and earnings thereon are fully vested and nonforfeitable at all times.

BENEFITS--Participants are entitled to receive the balance of their accounts upon death, total disability, retirement or termination of employment, or upon request after reaching age 59-1/2. Participants who have suffered a hardship (as defined by the Internal Revenue Service and the Plan) may also withdraw all or any portion of their account balances. Benefits are recorded upon distribution.

LOAN PROVISION--The Plan allows participants to borrow from their accounts, subject to certain limitations. Loans bear interest at the prime rate plus 1/2% at the time the loan was made. All loans are secured by the participant's account and are repayable in installments by payroll deductions.

INVESTMENT PROGRAMS--Upon enrollment or re-enrollment, each participant shall direct that his or her contributions be invested in one or more of the investment options below in any increment amount as long as their total increments equal 100%. Such direction may be revised by participants on a monthly basis. The investment programs of the Plan are as follows:

Company Stock Fund--This fund is invested in Angelica Corporation Common Stock.

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Mutual Fund--Each participant may choose to invest in the American Balanced Fund, the EuroPacific Growth Fund, the Federated Max Cap Fund, the Fidelity Aggressive Growth Fund, the Managers Special Equity Fund and/or the Washington Mutual Investors Fund.

Corporate Bond Fund--This fund is invested in the Fidelity Advisor Strategic Income Fund.

Interest Income Fund--This fund is invested in group annuity contracts with the Federated Capital Preservation Fund.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING--The financial statements of the Plan are maintained on an accrual basis. The Plan's investments are stated at fair value, as determined by the Trustee, based on publicly stated price information. The average cost method is used to determine the cost of securities sold. Investments in group annuity contracts are stated at contract value, which approximates fair value.

ADMINISTRATIVE EXPENSES--Costs of administering the Plan are generally borne by the Company and are not charged to the Plan.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

The Plan invests in various securities that, in general, are exposed to various risks, such as interest rate, credit and small market volatility. Due to the level of risk associated with certain investment securities it is reasonably possible that change in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits.

RECLASSIFICATIONS--Certain reclassifications have been made to conform the prior year amounts to the current year presentation.

3. INVESTMENTS

The Trustee of the Plan holds the Plan's investments and executes transactions therein.

The fair values of individual assets that represent 5% or more of the Plan's net assets as of December 31, 2002 and 2001, are as follows:

	2002	2001
American Balanced Fund	\$ 2,159,668	\$ 2,200,000
Washington Mutual Investors Fund	7,871,116	11,850,000
Federated Capital Preservation Fund	17,165,822	19,000,000

During 2002 and 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

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	2002	2001
Mutual funds	\$ (1,369,255)	\$ 1,028,204
Common stock	764,192	173,592
	-----	-----
	\$ (605,063)	\$ 1,201,796
	=====	=====

4. INCOME TAX STATUS

The Company has received a determination letter dated June 17, 2002, from the Internal Revenue Service stating that the Plan qualifies under the Internal Revenue Code; as such, the Plan is exempt from federal income tax, and amounts contributed by the Company and its employees are not taxable to the participants until distributions from the Plan are made.

5. TERMINATION OF THE PLAN

The Company reserves the right to terminate its participation in the Plan, although it has not expressed any intent to do so.

6. RELATED PARTY TRANSACTIONS

Money market shares are held by UMB Bank. UMB Bank is the trustee of the Plan assets, therefore, transactions involving these funds qualify as party-in-interest.

Because of its affiliation with the Plan, transactions involving the Angelica Corporation Stock fund qualifies as party-in-interest.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for plan benefits from the financial statements to Form 5500 for the years ended December 31, 2002 and 2001:

	2002	
Net assets available for plan benefits per the financial statements	\$ 31,395,089	\$
Liability for refundable participant contributions recorded in the financial statements and not in the Form 5500	24,059	
Benefit claims payable recorded in the Form 5500 and not in the financial statements	(847)	
Other items recorded in the Form 5500 and not in the financial statements	-	
	-----	-----
Net assets available for plan benefits per the Form 5500	\$ 31,418,301	\$
	=====	=====

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THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i--SCHEDULE OF ASSETS HELD FOR
INVESTMENT PURPOSES AT THE END OF THE YEAR
DECEMBER 31, 2002

IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	NUMBER OF SHARES OR PRINCIPAL AMOUNT	FAIR VALUE
COMPANY STOCK FUND--Angelica Corporation Common Stock*	64,446	\$ 1,330,807
CORPORATE BOND FUND--Fidelity Advisor Strategic Income Fund	19,160	197,925
MUTUAL FUNDS:		
American Balanced Fund	149,769	2,159,668
Washington Mutual Investors Fund	334,799	7,871,116
EuroPacific Growth Fund	19,643	451,206
Federated Max Cap Fund	36,796	654,599
Fidelity Aggressive Growth Fund	16,359	183,059
Managers Special Equity Fund	4,219	232,384
		11,552,032
INTEREST INCOME FUNDS:		
Federated Capital Preservation Fund	1,716,582	17,165,822
Loans to participants, interest rates ranging from 4.75% to 10%*	1,064,668	1,064,668
UMB Money Market*	26	26
		18,230,516
TOTAL INVESTMENTS		\$ 31,311,280