

RPM INTERNATIONAL INC/DE/

Form 11-K

June 27, 2005

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 11-K**

(Mark One):

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

For the fiscal year ended: December 31, 2004

**OR**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-14187

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: RPM International Inc. Union 401(k) Retirement Savings Trust and Plan, as amended

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office: RPM International Inc. 2628 Pearl Road, P.O. Box 777, Medina, Ohio 44258

**Table of Contents**

RPM INTERNATIONAL INC. UNION 401(K)  
RETIREMENT SAVINGS TRUST AND PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2004

---

**TABLE OF CONTENTS**

Independent Auditor's Report

SIGNATURES

EXHIBIT INDEX

EXHIBIT 23.1

---

**Table of Contents**

**Independent Auditor's Report**

To The Plan Administrator of the  
RPM International Inc. Union 401(K)  
Retirement Savings Trust and Plan

We have audited the accompanying statements of net assets available for benefits (modified cash basis) of the RPM International Inc. Union 401(K) Retirement Savings Trust and Plan, as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2004, and the supplemental schedule of assets held for investment purposes at December 31, 2004. 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.

As described in Note A, these financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 and the supplemental schedule of assets held for investment purposes at December 31, 2004, on the basis of accounting described in Note A.

Cleveland, Ohio  
June 7, 2005

---

**Table of Contents**

**RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**(MODIFIED CASH BASIS)**  
**DECEMBER 31, 2004 AND 2003**

|                                   | 2004         | 2003         |
|-----------------------------------|--------------|--------------|
| Assets                            |              |              |
| Investments                       | \$ 2,171,900 | \$ 2,000,640 |
| Receivables                       |              |              |
| Employer s contribution           | 7,142        | 5,613        |
| Participants contributions        | 18,160       | 13,987       |
|                                   | 25,302       | 19,600       |
| Total Assets                      | 2,197,202    | 2,020,240    |
| Net Assets Available for Benefits | \$ 2,197,202 | \$ 2,020,240 |

See accompanying notes to financial statements.

---

**Table of Contents**

**RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**(MODIFIED CASH BASIS)**  
**YEAR ENDED DECEMBER 31, 2004**

|   |            |              |
|---|------------|--------------|
| Additions   |            |              |
| Additions to net assets attributed to:              |            |              |
| Contributions                                       |            |              |
| Participants  | \$ 190,408 |              |
| Employer s  | 71,772     | \$ 262,180   |
| Investment Income                                   |            |              |
| Interest and dividends                              | 18,828     |              |
| Unrealized gain on investments                      | 171,575    |              |
| Realized gain on sale of investments                | 1,170      | 191,573      |
| Total Additions                                     |            | 453,753      |
| Deductions  |            |              |
| Deductions from net assets attributed to:           |            |              |
| Benefits paid to participants                       | 215,406    |              |
| Administrative expenses                             | 4,534      | 219,940      |
| Net Additions                                       |            | 233,813      |
| Assets Transferred to Trustees of Successor Plans   |            | (56,851)     |
| Net Assets Available for Benefits Beginning of Year |            | 2,020,240    |
| End of Year   |            | \$ 2,197,202 |

See accompanying notes to financial statements.

**Table of Contents**

**RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting.** The Plan's policy is to prepare its financial statements on the modified cash basis of accounting. Contributions are recorded on the accrual basis, dividends are recorded on the ex-dividend date, and other revenues are recognized when received rather than when promised or earned. Certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

**Investment Valuation and Income Recognition.** Investments are stated at fair value as determined by the custodian using quoted market prices at December 31, 2004 and 2003. Participant loans are valued at their outstanding balances which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded when received. Dividends are recorded on the ex-dividend date.

**Contributions.** Contributions are recorded on an accrual basis.

**Payment of Benefits.** Benefits are recorded when paid.

**Use of Estimates.** The preparation of financial statements, in conformity with the modified cash basis of accounting, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities, actual results could differ from those estimates.

**NOTE B - DESCRIPTION OF THE PLAN**

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

1. **General.** The Plan, adopted on February 3, 1997, is a defined contribution savings plan covering certain union employees at several wholly-owned domestic subsidiaries of RPM International Inc. (the Company). The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
-



**Table of Contents**

**RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2004

Continued

**NOTE B - DESCRIPTION OF THE PLAN** - Continued

2. **Contributions.** Each year, participants may contribute up to 20 percent of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers sixteen investment funds as investment options for participants. The Company matches, depending upon the collective bargaining agreement of each participating union, up to a maximum rate of 100% of the first 3% and 50% of the next 2% of employee deferrals. The matching Company contribution is invested in the same manner that the participants invest their own contributions. Contributions are subject to certain limitations.
  3. **Participant Accounts.** Each participant's account is credited with the participant's contribution, the Company's matching contribution and an allocation of Plan earnings and charged with an allocation of administrative expenses. 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.
  4. **Vesting.** Vesting is immediate for contributions, both employee and employer, and earnings thereon.
  5. **Participant Loans.** Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 5.0 percent to 10.5 percent. Principle and interest is paid ratably through payroll deductions.
  6. **Payment of Benefits.** On termination of service due to death, disability, or retirement, a participant generally will receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.
-

**Table of Contents****RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2004

Continued

**NOTE C - INVESTMENTS**

The following presents investments at December 31, 2004 and 2003, that represent 5% or more of the Plan's net assets:

|   | 2004       | 2003       |
|---|------------|------------|
| American Washington Mutual Investment Fund  | \$ 144,395 | \$ 115,855 |
| Fidelity Contra Fund                        | 200,259    | 170,218    |
| Janus Balanced Fund                         | 190,937    | 189,411    |
| Stable Portfolio Group Trust                | 590,984    | 605,681    |
| Growth Fund of America                      | 211,855    | 171,664    |
| Fidelity Advisor Government Investment Fund | 153,285    | 133,437    |
| RPM International Inc. Stock Fund           | 291,095    | 292,843    |
| Participant Loans                           | 123,035*   | 113,380*   |

\* Nonparticipant directed

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$172,745.

|                         | Gains(Losses) |            |            |
|-------------------------|---------------|------------|------------|
|                         | Realized      | Unrealized | Total      |
| Common/Collective Trust | \$ 2,058      | \$ 23,386  | \$ 25,444  |
| Mutual Funds            | 1,058         | 85,752     | 86,810     |
| Unitized Assets         | (1,946)       | 62,437     | 60,491     |
|                         | \$ 1,170      | \$ 171,575 | \$ 172,745 |

**NOTE D - NONPARTICIPANT-DIRECTED INVESTMENTS**

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments are as follows:

|             | December 31, |            |
|-------------|--------------|------------|
|             | 2004         | 2003       |
| Net Assets: |              |            |
| Loan fund   | \$ 123,035   | \$ 113,380 |

|                        | Year Ended<br>December<br>31,<br>2004 |
|------------------------|---------------------------------------|
| Changes in Net Assets: |                                       |

Edgar Filing: RPM INTERNATIONAL INC/DE/ - Form 11-K

|   |    |         |
|---|----|---------|
| Benefits paid to participants                   | \$ | (8,140) |
| Transfers to successor plans                    |    | (2,839) |
| Transfers from participant-directed investments |    | 20,634  |
|   | \$ | 9,655   |

---

**Table of Contents**

**RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2004

Continued

**NOTE E - 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 to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

**NOTE F - INCOME TAX STATUS**

The Plan obtained its latest determination letter on November 13, 2002, in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The plan has been amended since receiving the determination letter. However, the plan administrator and the plan's tax counsel believe that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

**NOTE G - DERIVATIVE FINANCIAL INSTRUMENTS**

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under FASB statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* during the current Plan year.

**NOTE H - RELATED-PARTY TRANSACTIONS**

The Stable Portfolio Group Trust and the Enhanced Stock Market Fund are common trust funds managed by Wachovia Bank N.A. The value of the Stable Portfolio Group Trust was \$590,984 and \$605,681 at December 31, 2004 and 2003, respectively. The value of the Enhanced Stock Market Fund was \$69,253 and \$52,956 at December 31, 2004 and 2003, respectively. Wachovia Bank N.A. is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for trustee and investment management services amounted to \$4,534 for the year ended December 31, 2004.

**NOTE I - RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

---

**Table of Contents**

**RPM INTERNATIONAL INC. UNION 401(K) RETIREMENT SAVINGS TRUST AND PLAN**  
**SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES**  
**DECEMBER 31, 2004**

**FEDERAL ID #02-0642224 PLAN 007**

Schedule 1

**Schedule H - Line 4i - Schedule of Assets Held for Investment Purposes**

| (a) | (b) & (c)   | (e)              |
|-----|---|------------------|
|     | Identity of Issue & Description                   | Current Value    |
| *   | Wachovia Bank, N.A., Stable Portfolio Group Trust | \$ 590,984       |
| *   | Wachovia Bank, N.A., Enhanced Stock Market Fund   | 69,253           |
|     | Fidelity Advisor Ser 1 Mid Cap Fund               | 61,195           |
|     | Fidelity Contra Fund                              | 200,259          |
|     | Growth Fund of America                            | 211,855          |
|     | Neuberger & Berman Equity Assets                  | 22,870           |
|     | Washington Mutual Investors Fund                  | 144,395          |
|     | American Europacific Growth Fund                  | 541              |
|     | Templeton Foreign Fund                            | 78,118           |
|     | Janus Balanced Fund                               | 190,937          |
|     | Evergreen Core Bond Fund                          | 6,025            |
|     | Fidelity Advisors Government Investment           | 153,285          |
|     | RPM International Stock Fund                      | 291,095          |
|     | RPM International Conservative Fund               | 565              |
|     | RPM International Moderate Fund                   | 14,270           |
|     | RPM International Growth Fund                     | 13,218           |
|     | Participant Loans (5.00% to 10.50%)               | 123,035          |
|     | <br>Total   | <br>\$ 2,171,900 |

See Accountant's Report.

See accompanying notes to financial statements.

**Table of Contents**

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**RPM INTERNATIONAL INC. UNION 401(k)  
RETIREMENT SAVINGS TRUST AND PLAN**

By: RPM International Inc. (Plan  
Administrator)

/s/ Janeen Kastner

Janeen Kastner, Director of Human  
Resources and Administration

Date: June 27, 2005

---

**Table of Contents**

**EXHIBIT INDEX**

23.1 Consent of Ciulla, Smith & Dale, LLP