

Edgar Filing: TRIMBLE NAVIGATION LTD /CA/ - Form 11-K

TRIMBLE NAVIGATION LTD /CA/
Form 11-K
June 30, 2003

UNITED STATES
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, 2002

OR

Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934 (No Fee Required)

For the transition period from _____ to _____

Commission file number 000-18645

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

Trimble Navigation Savings and Retirement Plan

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

Trimble Navigation Limited
645 N. Mary Avenue
Post Office Box 3642
Sunnyvale, CA 94088-3642

TRIMBLE NAVIGATION SAVINGS AND RETIREMENT PLAN
Index to Financial Statements and Exhibits

Independent Accountants' Report

Statements of Net Assets Available for Benefits

Statements of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Schedule of Assets Held for Investment Purposes

Signature

Exhibit 23 - Consent of Mohler, Nixon & Williams, Independent Accountants

INDEPENDENT ACCOUNTANTS' REPORT

To the Participants and
Plan Administrator of the
Trimble Navigation
Savings and Retirement Plan

We have audited the financial statements of the Trimble Navigation Savings and Retirement Plan (the Plan) as of December 31, 2002 and 2001, and for the years then ended, as listed in the accompanying table of contents. 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 the Plan's 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, as listed in the accompanying 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 in relation to the basic financial statements taken as a whole.

/s/ Mohler, Nixon & Williams

MOHLER, NIXON & WILLIAMS
Accountancy Corporation

Campbell, California
May 20, 2003

TRIMBLE NAVIGATION
SAVINGS AND RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

Edgar Filing: TRIMBLE NAVIGATION LTD /CA/ - Form 11-K

	December 31,	
	2002	2001
Assets:		
Investments, at fair value	\$ 63,578,671	\$ 72,151,365
Participant loans	1,335,571	1,842,443
Assets held for investment purposes	64,914,242	73,993,808
Participant's contribution receivable	130,029	
Employer's contribution receivable	25,251	88,178
Other receivables		6,689
Net assets available for benefits	\$ 65,069,522 =====	\$ 74,088,675 =====

See notes to financial statements.

TRIMBLE NAVIGATION
SAVINGS AND RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years ended December 31,	
	2002	2001
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Dividends and interest	\$ 891,441	\$ 1,513,224
Net realized and unrealized depreciation in fair value of investments	(11,153,440)	(10,688,643)
	-----	-----
	(10,261,999)	(9,175,419)
	-----	-----
Contributions:		
Participants'	6,134,852	5,773,432
Employer's	1,709,632	1,545,945
	-----	-----
	7,844,484	7,319,377
	-----	-----
Total reductions	(2,417,515)	(1,856,042)
	-----	-----
Deductions from net assets attributed to:		
Withdrawals and distributions	6,593,226	6,194,819
Administrative expenses	8,412	11,865
	-----	-----
Total deductions	6,601,638	6,206,684
	-----	-----
Net decrease in net assets prior to transfer	(9,019,153)	(8,062,726)
Transfer of assets:		
To the Plan		31,855,865

Net increase (decrease) in net assets	(9,019,153)	23,793,139
Net assets available for benefits:		
Beginning of year	74,088,675	50,295,536
	-----	-----
End of year	\$ 65,069,522 =====	\$ 74,088,675 =====

See notes to financial statements.

TRIMBLE NAVIGATION
SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

NOTE 1 - THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES

General - The following description of the Trimble Navigation Savings and Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan that was established in 1988 by Trimble Navigation (the Company) to provide benefits to eligible employees. The Plan administrator believes that the Plan is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

During 2001, the Plan document was amended to change the matching contribution to 50% of the participants' contribution up to 5% of compensation with a maximum of \$2,500 per year.

Administration - The Company has appointed an Administrative Committee (the Committee) to manage the operation and administration of the Plan. The Company contracted with Fidelity Management Trust Company (Fidelity) to act as the custodian, trustee and third-party administrator. Substantially all expenses incurred for administering the Plan are paid by the Company.

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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Basis of accounting - The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Investments - Investments of the Plan were held by Fidelity and invested in mutual funds and the Company's common stock based solely upon instructions received from participants.

The Plan's investments in mutual funds and the Company's common stock are valued at fair value as of the last day of the Plan year, as measured by quoted market prices. Participant loans are valued at cost, which approximates fair value.

Income taxes - The Plan has been amended since receiving its latest favorable determination letter dated September 10, 2002. The Company believes that the Plan is operated in accordance with, and qualifies under, the applicable requirements of the Internal Revenue Code and related state statutes, and that the trust, which forms part of the Plan is exempt from federal income and state franchise taxes.

Edgar Filing: TRIMBLE NAVIGATION LTD /CA/ - Form 11-K

Risks and uncertainties - The Plan provides for various investment options in any combination of investment securities offered by the Plan. In addition, Company common stock is included in the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in market values, interest rates or other factors in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

NOTE 2 - RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity, the trustee of the Plan. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

As allowed by the Plan, participants may elect to invest a portion of their accounts in the common stock of the Company. Aggregate investment in Company common stock at December 31, 2002 and 2001 was as follows:

Date	Number of shares	Fair value	Cost
2002	270,580	\$3,379,548	\$4,173,686
2001	244,806	\$3,968,301	\$3,916,728

NOTE 3 - PARTICIPATION AND BENEFITS

Participant contributions - Participants may elect to have the Company contribute from 1% to 18% of their eligible pre-tax compensation up to the amount allowable under current income tax regulations. Participants who elect to have the Company contribute a portion of their compensation to the Plan agree to accept an equivalent reduction in taxable compensation. Contributions withheld are invested in accordance with the participants' direction.

Participants are also allowed to make rollover contributions of amounts received from other tax-qualified employer-sponsored retirement plans. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and the Plan's provisions.

Employer contributions - The Company is allowed to make matching contributions as defined in the Plan and as approved by the Board of Directors. Effective July 1, 2001, the Company matched 50% of the participant's contribution up to 5% of compensation with a maximum of \$2,500 per year. Prior to that, the Company matched 100% of each eligible participant's contribution up to a maximum of \$100 per month and \$1,200 per year. Contributions for the years ended December 31, 2002 and 2001 were approximately \$1,710,000 and \$1,545,000, respectively.

Vesting - Participants are immediately vested in their contributions and Company matching contributions.

Participant accounts - Each participant's account is credited with the participant's contribution, Plan earnings or losses and an allocation of the Company's contribution, if any. Allocation of the Company's contribution is based on participant contributions, as defined in the Plan.

Edgar Filing: TRIMBLE NAVIGATION LTD /CA/ - Form 11-K

Payment of benefits - Upon termination, each participant or beneficiary will receive the benefits in a lump sum amount equal to the value of the participant's interest in their account. The Plan allows for automatic lump sum distribution of participant account balances that do not exceed \$5,000.

Loans to participants - The Plan allows each participant to borrow not less than \$1,000 and up to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the participant's balance. Such loans bear interest at the available market financing rates and must be repaid to the Plan within a five-year period, unless the loan is used for the purchase of a principal residence in which case the maximum repayment period is ten years. The specific terms and conditions of such loans are established by the Committee. Outstanding loans at December 31, 2002 carry interest rates ranging from 6.5% to 11.5%.

Note 4 - Plan transfer

In conjunction with the acquisition of Spectra Precision, Inc, Spectra Precision Software and Tripod Data Systems, Inc. by the Company, assets totaling approximately \$32,000,000 were transferred from the Spectra Precision, Inc. Savings Plus Plan, Spectra Precision Software 401(k) Plan and Tripod Data Systems, Inc. 401(k) Plan into the Plan during 2001.

NOTE 5 - INVESTMENTS

The following table presents the fair values of investments and investment funds that include 5% or more of the Plan's net assets at December 31:

	2002	2001
Trimble Navigation Common Stock	\$ 3,379,548	\$ 3,968,301
Fidelity Magellan Fund	8,220,988	11,063,243
Fidelity ContraFund	9,994,449	11,864,528
Fidelity Balanced Fund	5,440,816	6,504,889
Fidelity Aggressive Growth Fund	3,724,380	6,016,249
Fidelity Dividend Growth Fund	5,710,995	7,305,446
Retirement Money Market Fund	15,860,323	15,393,763
Other Funds individually less than 5% of net assets	12,582,743	11,877,389
Assets held for investment purposes	\$ 64,914,242	\$ 73,993,808

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows for the years ended December 31:

	2002	2001
Common stock	(\$ 919,084)	(\$ 1,880,616)
Mutual funds	(10,234,356)	(8,808,027)
	(\$11,153,440)	(\$10,688,643)

NOTE 6 - PLAN TERMINATION OR MODIFICATION

The Company intends to continue the Plan indefinitely for the benefit of its employees; however, it reserves the right to terminate or modify the Plan at any time by resolution of its Board of Directors and subject to the provisions of ERISA.

Edgar Filing: TRIMBLE NAVIGATION LTD /CA/ - Form 11-K

TRIMBLE NAVIGATION
 SAVINGS AND RETIREMENT PLAN
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 DECEMBER 31, 2002

EIN: 94-2802192
 PLAN #001

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Current value
Janus Flex Income Fund	Mutual Fund	\$ 2,599,147
Strong Common Stock Fund	Mutual Fund	482,095
Weitz Partners Value Fund	Mutual Fund	1,364,829
Janus Worldwide Fund	Mutual Fund	959,960
* Fidelity Fund	Mutual Fund	356,735
* Fidelity Magellan Fund	Mutual Fund	8,220,988
* Fidelity ContraFund	Mutual Fund	9,994,449
* Fidelity Balanced Fund	Mutual Fund	5,440,816
* Fidelity Low Price Stock Fund	Mutual Fund	1,885,521
* Fidelity Equity Income II Fund	Mutual Fund	1,890,381
* Fidelity Aggressive Growth Fund	Mutual Fund	3,724,380
Fidelity Diversified International Fund	Mutual Fund	1,133,672
* Fidelity Dividend Growth Fund	Mutual Fund	5,710,995
* Retirement Money Market Fund	Mutual Fund	15,860,323
* Spartan US Equity Index Fund	Mutual Fund	574,832
* Trimble Navigation	Common Stock (270,580 shares)	3,379,548
* Participant loans	Interest rates ranging from 6.5% to 11.5%	1,335,571
	Total	\$64,914,242
		=====
* Party-in-interest		

SIGNATURE

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.

Date: June 30, 2003

By: /s/ STEVEN W. BERGLUND

 Steven W. Berglund
 Title: President and Chief Executive Officer
 Trimble Navigation

On behalf of the administrator of the
Trimble Navigation Savings and
Retirement Plan