

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

AMERISOURCEBERGEN CORP
Form 11-K
June 21, 2002

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, 2001

OR

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

For the transition period from _____ to _____

Commission file number 333-86012

AMERISOURCE CORPORATION EMPLOYEE INVESTMENT PLAN

(Full title of the plan)

AMERISOURCEBERGEN CORPORATION

(Name of issuer of the securities held pursuant to the plan)

1300 Morris Drive, Suite 100 Chesterbrook, PA 19087-5594

(Address of principal executive offices of issuer of securities) (Zip code)

AmeriSource Corporation Employee Investment Plan

Financial Statements and Supplemental Schedules

December 31, 2001 and 2000 and for the year ended December 31, 2001 with
Report of Independent Auditors

AmeriSource Corporation Employee Investment Plan

Financial Statements and Supplemental Schedules

December 31, 2001 and 2000 and for the year ended December 31, 2001

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

Contents

Report of Independent Auditors	1
Audited Financial Statements	
Statements of Assets Available for Benefits	2
Statement of Changes in Assets Available for Benefits	3
Notes to Financial Statements	4
Supplemental Schedules	
Schedule G, Part III--Schedule of Nonexempt Transactions	10
Schedule H, Line 4i--Schedule of Assets (Held at End of Year)	12
Signature	13
Independent Auditors' Consent - Exhibit 23	14

Report of Independent Auditors

Trustees of the AmeriSource Corporation
Employee Investment Plan

We have audited the accompanying statements of assets available for benefits of the AmeriSource Corporation Employee Investment Plan as of December 31, 2001 and 2000, and the related statement of changes in assets available for benefits for the year ended December 31, 2001. 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. 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 assets available for benefits of the Plan at December 31, 2001 and 2000, and the changes in its assets available for benefits for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2001 and of nonexempt transactions for the year ended December 31, 2001 are presented for purposes of additional analysis, and are not a required part of the financial statements but are 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. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

financial statements taken as a whole.

Philadelphia, Pennsylvania
May 10, 2002

/s/ Ernst & Young LLP

1

AmeriSource Corporation Employee Investment Plan
Statements of Assets Available for Benefits

	December 31	
	2001	2000
Assets		
Investments	\$77,111,070	\$82,171,929
Receivables:		
Participants' contribution	182,426	318,048
Employer's contribution	134,713	1,432,343
Total receivables	317,139	1,750,391
Assets available for benefits	\$77,428,209	\$83,922,320

See accompanying notes.

2

AmeriSource Corporation Employee Investment Plan
Statement of Changes in Assets Available for Benefits
Year ended December 31, 2001

Additions:		
Investment income (loss):		
Net depreciation in fair value of investments	\$	(400,257)
Interest and dividends		1,581,387
		1,181,130
Contributions:		
Participants		5,300,162
Employer		1,642,826
		6,942,988
Transfer in from merged plans		2,948,862
Total additions		11,072,980
Deductions:		
Benefits paid directly to participants		17,560,591
Administrative expenses		6,500

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

Total deductions	17,567,091

Net decrease	(6,494,111)
Assets available for benefits:	
Beginning of year	83,922,320

End of year	\$77,428,209
	=====

See accompanying notes.

3

AmeriSource Corporation Employee Investment Plan

Notes to Financial Statements

December 31, 2001

1. Description of Plan

The following description of the AmeriSource Corporation Employee Investment Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan. Participation is limited to salaried office or sales employees and certain hourly personnel of AmeriSource Corporation and affiliated companies (the Company), who have at least six months of continuous employment or 1,000 hours of service during 12 consecutive months, beginning with the first hour of service, and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may contribute between 2% and 18% of pretax annual compensation, as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Effective January 1, 2001, the Company will contribute to the Plan for each participating employee who is employed by the Company on the last day of each calendar month, an amount equal to 50% of the participant's contributions up to 6% of pretax annual compensation.

Additional amounts may be contributed at the option of the Company's Board of Directors.

Upon enrollment, a participant may direct employee and employer contributions in 5% increments to any of the Plan's fund options. Participants may change their investment options at any time.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are used to

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

reduce future Company contributions. The balance of forfeited nonvested accounts was not material as of December 31, 2001. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

4

AmeriSource Corporation
Employee Investment Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. Participants vest 25% per year after two years of credited service in the Company's contribution until they are 100% vested after five years of credited service.

Participant Loans

Effective February 1, 2001, participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding loan balance during the preceding year, or 50% of their vested account balance. Loan terms range from 1-5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at prime plus 1% as determined by the Plan Administrator on the date the loan is processed. Principal and interest is paid ratably through payroll deductions.

Payment of Benefits

On termination of service, if the participant's account is less than \$5,000, a participant will receive a lump-sum amount equal to the vested value of his or her account. The participant will have the option to leave his or her account in the Plan if the balance is greater than \$5,000.

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.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company except expenses related to participant loans which are allocated to the participant.

5

AmeriSource Corporation
Employee Investment Plan

Notes to Financial Statements (continued)

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

2. Summary of Accounting Policies

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. The shares of registered investment companies are valued at quoted market prices that represent the net asset values of shares held by the Plan at year-end. The common stock is valued at the closing value on the last day of the Plan year.

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

Use of Estimates

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

3. Investments

During 2001, the Plan's investments (including purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

	Net Appreciation (Depreciation) in Fair Value of Investments
Common stock	\$ 5,566,292
Shares of registered investment companies	(5,966,549)
	\$ (400,257)

6

AmeriSource Corporation
Employee Investment Plan

Notes to Financial Statements (continued)

3. Investments (continued)

Investments that represent 5% or more of fair value of the Plan's assets are as follows:

	December 31	
	2001	2000
Fidelity Investments:		
Magellan Fund	\$19,370,630	\$22,437,189

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

Equity-Income Fund	9,719,899	10,072,734
OTC Portfolio	4,976,937	5,805,419
Retirement Money Market Portfolio	10,737,875	12,064,055
AmerisourceBergen Corporation Stock Fund	19,774,142	20,114,947

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated February 16, 1995, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended and restated. A new determination letter has been requested. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

5. Transfer in from Merged Plans

Effective January 1, 2000, the AmeriSource Corporation Board of Directors approved the merger of the C.D. Smith Drug Company Employee Stock Ownership Plan into the Plan. During 2001, escrow shares related to certain specific and general contingencies associated with the July 8, 1999 merger of AmeriSource Corporation and C.D. Smith were released and increased Plan assets by \$2,915,647.

Effective January 1, 2001, the AmeriSource Corporation Board of Directors approved the merger of the Value Apothecaries 401(k) Plan. The effect of the merger increased the Plan assets \$33,215.

7

AmeriSource Corporation Employee Investment Plan

Notes to Financial Statements (continued)

6. Subsequent Event

Effective July 1, 2002, AmerisourceBergen Corporation Board of Directors approved the merger of the Bergen Brunswig Corporation Pre-Tax Investment Retirement Account Plus Employer Contributions Plan with the AmeriSource Corporation Employee Investment Plan to create the AmerisourceBergen Corporation Employee Investment Plan. The effect of the merger on the Plan has not yet been determined.

8

Supplemental Schedules

AmeriSource Corporation Employee Investment Plan

EIN-23-2353106 Plan-010

Schedule G, Part III--Schedule of Nonexempt Transactions

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

Year ended December 31, 2001

(a) Identity of party involved	(b) Relationship to plan, employer or other party-in-interest	(c) Description of trans including maturity date interest, collateral, maturity value
AmeriSource Corporation	Employer/Plan Sponsor	Participant contribution of \$337,835 were withheld from participants' pay during the month of January 2001, but were not remitted to the Plan's Trust until within 15 business days of the end of the month in which such contributions were withheld. This constitutes a \$337,835 loan from the Plan to the Plan Sponsor for the period from January 22, 2001 until February 22, 2001 until February 23, 2001, the date the withholdings were deposited into the Plan's Trust. The Plan Sponsor intends to make an additional contribution to the Plan for the Plan year 2002, which will represent lost earnings resulting from the late deposits to the Plan's Trust.

Columns (d) through (j) are not applicable.

10

AmeriSource Corporation Employee Investment Plan

EIN-23-2353106 Plan-010

Schedule G, Part III--Schedule of Nonexempt Transactions (continued)

Year ended December 31, 2001

(a) Identity of party involved	(b) Relationship to plan, employer or other party-in-interest	(c) Description of trans including maturity date interest, collateral, maturity value
AmeriSource Corporation	Employer/Plan Sponsor	Participant contribution of \$313,497 and \$362,454 were withheld from participants' pay during the months of October and November 2000, respectively, but were not remitted to the Plan's Trust.

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

Trust within 15 business days following the month in which the amounts were withheld. The Trust constituted a \$313,497 a \$362,454 loan from the Plan Sponsor for the period November 21, 2000 until November 29, 2000 and December 2000 until December 26, 2000 respectively, the dates the withholdings were deposited to the Plan's Trust. The Plan Sponsor made an additional contribution of \$40,659 to the Plan during the year 2001, which represents earnings as a result of a deposit to the Plan's Trust.

Columns (d) through (j) are not applicable.

11

AmeriSource Corporation Employee Investment Plan

EIN-23-2353106 Plan-010

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

December 31, 2001

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value

*Fidelity Investments:		
Magellan Fund	185,863 shares	\$19,370,630
Equity-Income Fund	199,301 shares	9,719,899
Intermediate Bond Fund	359,017 shares	3,705,055
OTC Portfolio	159,671 shares	4,976,937
Asset Manager Fund	105,139 shares	1,629,647
Retirement Money Market Portfolio	10,737,875 shares	10,737,875
Overseas Fund	48,123 shares	1,319,543
Spartan U.S. Equity Index Fund	49,188 shares	1,999,003
Freedom Income Fund	46,893 shares	512,546
Freedom 2000 Fund	19,048 shares	219,435

Edgar Filing: AMERISOURCEBERGEN CORP - Form 11-K

Freedom 2010 Fund	45,020 shares	567,702
Freedom 2020 Fund	44,914 shares	565,015
Freedom 2030 Fund	42,520 shares	534,050
Freedom 2040 Fund	1,209 shares	8,936
*AmerisourceBergen Corporation Stock Fund	311,159 shares of common stock	19,774,142
IKON Stock Fund	41,443 shares of common stock	484,471
* Participant loans	Interest rates ranging from 8.0% to 8.5%	986,184
		----- \$77,111,070 =====

* Indicates party-in-interest to the Plan.
"Cost" is not applicable, as all investments are participant directed.

12

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

AmeriSource Corporation Employee
Investment Plan

By: /s/ Eileen C. Clark

Eileen C. Clark
Vice President, Human Resources
AmerisourceBergen Corporation

June 21, 2002

13