WATER PIK TECHNOLOGIES INC
Form 11-K
June 24, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2004

or

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

For the transition period from to

Commission file number 1-15297

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

WATER PIK TECHNOLOGIES, INC. RETIREMENT PLAN

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

WATER PIK TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**25-1843384**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

23 Corporate Plaza, Suite 246
Newport Beach, CA 92660

(Name and address of principal executive office of issuer of securities)

Registrant s telephone number, including area code: **(949) 719-3700**

WATER PIK TECHNOLOGIES, INC. RETIREMENT PLAN

INDEX

Report of Independent Registered Public Accounting Firm

Personnel and Compensation Committee

Water Pik Technologies, Inc.

We have audited the accompanying statements of net assets available for benefits of the Water Pik Technologies, Inc. Retirement Plan as of December 31, 2004 and 2003, 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 the standards of the Public Company Accounting Oversight Board (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. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 at December 31, 2004 and 2003, and the changes in its net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2004, is presented for the purpose of additional analysis and is not a required part of the 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 our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

Woodland Hills, California
May 25, 2005

Water Pik Technologies, Inc. Retirement Plan

Statements of Net Assets Available for Benefits

	December 31, 2004	December 31, 2003
Assets		
Investments at fair value:		
Mutual funds	$ 27,342,713	$ 20,448,593
Money market funds	5,488,635	5,417,210
Common stock	1,523,848	1,085,188
Participant loans	1,082,300	856,926
Total investments	35,437,496	27,807,917
Contributions receivable	1,158,054	87,555
Total assets	36,595,550	27,895,472
Liabilities		
Refunds of excess contributions	43,545	24,964
Net assets available for benefits	$ 36,552,005	$ 27,870,508

See accompanying notes.

Water Pik Technologies, Inc. Retirement Plan

Statements of Changes in Net Assets Available for Benefits

	Year ended December 31	
	2004	**2003**
Additions:		
Contributions:		
Employer	$ 3,336,212	$ 2,243,277
Employee	3,684,682	2,949,401
Interest and dividend income	737,949	440,420
Net appreciation of investments	2,459,974	3,971,436
Total additions	10,218,817	9,604,534
Deductions:		
Distributions to participants	1,445,781	2,100,789
Administrative and other expenses	91,539	48,430
Total deductions	1,537,320	2,149,219
Net increase	8,681,497	7,455,315
Net assets available for benefits, beginning of year	27,870,508	20,415,193
Net assets available for benefits, end of year	$ 36,552,005	$ 27,870,508

See accompanying notes.

Water Pik Technologies, Inc. Retirement Plan

Notes to Financial Statements

December 31, 2004

1. Description of the Plan

The Water Pik Technologies, Inc. Retirement Plan (the Plan) was established on April 1, 2000. The following description of the Plan provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan s provisions.

General

The Plan is a defined contribution plan. All regularly scheduled full-time and part-time U.S. domestic employees of Water Pik Technologies, Inc. (the Company) are eligible to participate in the Plan on the first date of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions

Participants may make contributions of between 1% and 60% of eligible compensation, as defined in the Plan Document, up to an annual maximum as determined by the Internal Revenue Code. For the years ended December 31, 2004 and 2003, each pay period, the Company matches 25% of the first 6% of contributions of employees who have completed 90 days of service up to an annual maximum of 1.5% of compensation, as defined.

If the Company meets or exceeds certain financial goals, the matching contribution shall be adjusted to 50% of the first 6% of contributions for each participants eligible contributions made during the plan year. The Company met the required financial goals in 2004 and made an adjustment to the matching contribution. The Company did not meet the required financial goals in 2003 and no adjustment to the matching contribution was made.

Each plan year, for employees who have completed 90 days of service, the Company also contributes nonelective contributions of 2% of hourly active participants compensation, as defined, and 4.5% of salaried active participants compensation, as defined. In addition, the Company may make annual discretionary contributions in an amount to be determined at the end of the plan year by the Board of Directors. A discretionary contribution of 1% of active participants compensation was made to the Plan at December 31, 2004. There were no discretionary contributions made to the Plan at December 31, 2003.

Participant Accounts

Each participant s account is credited with the participant s contributions, the Company s matching, nonelective and discretionary contributions and an allocation of the Plan s earnings. Allocations of Plan earnings are based on participant account balances. Participants are entitled to the vested balances in their accounts.

Participants direct contributions, including Company matching, nonelective and discretionary contributions, into various investment options offered by the Plan.

Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum of the lesser of (a) $50,000 or (b) 50% of their vested account balance. Loans are repaid over periods of up to five years (10 years for loans to purchase the participant s primary residence). A participant may have only one loan outstanding at any time. Outstanding participant loans must be repaid upon the participant s termination of employment with the Company.

Loans are secured by the balance in the participant s account and bear interest at the prime interest rate as published in *The Wall Street Journal* on the first business day of the calendar quarter preceding the loan origination date.

Vesting

Participants are fully vested in their contributions and all earnings thereon. All eligible employees of the Company as of March 31, 2000, are fully vested in Company matching contributions regardless of years of service. Eligible employees hired subsequent to March 31, 2000, vest in Company matching contributions under the following schedule:

Years of Service	Vesting Percentage
1 year	25%
2 years	50%
3 years	75%
4 years	100%

Nonelective Company contributions for all participants vest in accordance with the above vesting schedule.

Withdrawals and Distributions

The Plan allows for participants to make withdrawals from the Plan upon reaching age 59½ or in the case of serious financial hardship, as approved by the administrator. Additionally, the value of participants contributions and the value of all vested Company contributions are payable to participants or their designated beneficiaries upon death, disability, retirement or upon termination of employment with the Company. At the participant s election, payment may be made in cash as a single lump sum or in installments.

Administrative Expenses

The Company pays administrative expenses, which include recordkeeping, trustee fees and expenses of the Company incurred in administering the Plan. Participants pay loan origination and service fees.

Forfeited Accounts

Forfeitures of terminated participants nonvested amounts are used to reduce administrative expenses under the Plan, if any. Any remaining forfeited balances are applied to reduce future Company contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Those principles require the Plan s administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Valuation of Investments

The Fidelity funds and common stock are stated at the quoted market price as listed on the New York Stock Exchange. All participant loans are valued at the unpaid principal balance, which approximates fair value.

3. Investments

The following pres