

Edgar Filing: AMETEK INC/ - Form 11-K

AMETEK INC/  
Form 11-K  
June 16, 2006

United States  
Securities and Exchange Commission  
Washington, D.C. 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, 2005

OR

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

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

Commission file number 1-12981

SOLIDSTATE CONTROLS, INC. HOURLY EMPLOYEES' (CWA)  
RETIREMENT PLAN  
(Full title of the plan)

AMETEK, INC.  
37 NORTH VALLEY ROAD, BUILDING 4, P.O. BOX 1764  
PAOLI, PENNSYLVANIA 19301-0801  
(Name of issuer of the securities held pursuant to the plan  
and the address of its principal executive office)

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
Financial Statements and Supplemental Schedule  
Years ended December 31, 2005 and 2004

CONTENTS

Financial Statements (Unaudited):	
Statements of Assets Available for Benefits.....	2
Statements of Changes in Assets Available for Benefits.....	3
Notes to Financial Statements.....	4
Supplemental Schedule:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year).....	11
Signatures.....	12

# Edgar Filing: AMETEK INC/ - Form 11-K

## Solidstate Controls, Inc. Hourly Employees' (CWA) Retirement Plan Statements of Assets Available for Benefits December 31, 2005 and 2004 (Unaudited)

	DECEMBER 31,	
	2005	2004
ASSETS:		
Investments, at fair value	\$1,074,855	\$909,241
Receivables:		
Employer contributions	77,904	70,478
Participants contributions	6,135	6,034
Total receivables	84,039	76,512
Assets available for benefits	\$1,158,894	\$985,753

See accompanying notes.

2

## Solidstate Controls, Inc. Hourly Employees' (CWA) Retirement Plan Statements of Changes in Assets Available for Benefits Years ended December 31, 2005 and 2004 (Unaudited)

	YEARS ENDED DECEMBER 31,	
	2005	2004
ADDITIONS:		
Contributions:		
Employer	\$ 79,048	\$ 70,478
Participants	63,285	63,793
	142,333	134,271
Investment income:		
Net appreciation in fair value of investments	43,689	82,078
Interest and dividend income	31,617	19,771
	75,306	101,849
Total additions	217,639	236,120

# Edgar Filing: AMETEK INC/ - Form 11-K

DEDUCTIONS:	-----	-----
Benefits paid to participants	(44,498)	(5,719)
	-----	-----
Total deductions	(44,498)	(5,719)
	-----	-----
Net increase	173,141	230,401
Assets available for benefits:		
Beginning of year	985,753	755,352
	-----	-----
End of year	\$1,158,894	\$985,753
	=====	=====

See accompanying notes.

3

## Solidstate Controls, Inc. Hourly Employees' (CWA) Retirement Plan Notes to Financial Statements December 31, 2005 (Unaudited)

### 1. DESCRIPTION OF PLAN

#### GENERAL

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

The Plan is a tax-deferred 401(k) defined contribution savings plan which provides eligible employees (whose employment is governed by the terms of a collective bargaining agreement with the Communications Workers of America (CWA)) of Solidstate Controls, Inc., an opportunity to invest a portion of their compensation, as defined by the Plan, in one or a combination of investment programs (see Note 3).

#### CONTRIBUTIONS

Each year, participants have an opportunity to invest up to 16% (maximum 6% before tax and maximum 10% after tax) of their annual compensation, as defined by the Plan, in multiples of one percent, except for certain highly compensated participants who may be subject to certain regulatory limitations. Participants may also contribute amounts representing rollovers from other qualified plans. The Plan provides for Company contributions equal to 40% of the amount contributed by each participant, up to a maximum percentage ranging from 1% to 6% of the participants' compensation as determined by the terms of the collective bargaining agreement. Retirement and matching company contributions are paid to the Plan at anytime prior to the due date prescribed by law for filing the Company's federal income tax return for that Plan year.

The Plan has a retirement feature for eligible participants, AMETEK makes contributions to the Plan on behalf of such participants at a rate \$0.35 for each hour that an active participants is paid compensation. Participant contributions under the retirement feature of the Plan are not permitted. Investment programs and transfer and exchange privileges available under the retirement feature of the Plan are the same as the savings feature under the

Plan.

Forfeited Company contributions, which are insignificant in amount, are used to reduce current-year Company contributions.

4

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
Notes to Financial Statements  
December 31, 2005  
(Unaudited)

1. DESCRIPTION OF PLAN (CONTINUED)

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan net earnings. Allocations are based on participant earnings and/or account balances, as defined. The benefit to which a participant is entitled is the balance in the participant's vested account.

VESTING

Participants are fully vested at all times in their contributions to the Plan. Company contributions under the savings provisions of the Plan and under the retirement feature of the Plan become fully vested after five years of service.

PARTICIPANT LOANS

Participants may borrow a minimum of \$1,000 or up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Participants may have up to two loans outstanding at any time, the sum of which may not exceed the maximum allowable under the Plan. Repayment terms of the loans are generally limited to no longer than 60 months from inception or for a reasonable period of time in excess of 60 months for the purchase of a principal residence, as fixed by the Plan's Administrative Committee. The loans are secured by the balance in the participant's account, and bear interest at rates established by the Plan's administrative committee, which approximate rates charged by commercial lending institutions for comparable loans. Interest rates on loans outstanding at December 31, 2005 ranged between 5% and 7.75%. Principal and interest is paid ratably through payroll deductions. Participant loans outstanding at December 31, 2005 and 2004, respectively, totaled \$117,915 and \$108,560 are included in investments in the accompanying statements of assets available for benefits.

5

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
Notes to Financial Statements  
December 31, 2005  
(Unaudited)

1. DESCRIPTION OF PLAN (CONTINUED)

## Edgar Filing: AMETEK INC/ - Form 11-K

### PAYMENT OF BENEFITS

On termination of service, death, disability or retirement, a participant may receive a lump-sum amount equal to his or her vested account, elect to receive payment in installments for life, subject to certain restrictions based on life expectancy or direct rollover to an eligible retirement plan. When a participant attains age 59 1/2 while still an employee, he or she can elect to withdraw a specified portion of his or her vested account balance without incurring an income tax penalty. Also, in certain cases of financial hardship, a participant may elect to withdraw up to a specified portion of his or her vested account balance, regardless of age.

### PLAN TERMINATION

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

While the Company has not expressed any intent to terminate the Plan, it is free to do so at any time subject to the provisions of ERISA, and applicable labor agreements. In the event of Plan termination, each participant will receive the value of his or her separate vested account.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF FINANCIAL STATEMENTS AND PRESENTATION FORMAT

The accompanying financial statements are unaudited because the number of participants in the Plan are fewer than the number of participants which would require audited financial statements under ERISA. The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with U.S. generally accepted accounting principles. The accompanying financial statements have been prepared in accordance with Statement of Position 99-3, "Accounting for and Reporting of Certain Defined Contribution Benefit Plan Investments and Other Disclosure Matters."

6

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
Notes to Financial Statements  
December 31, 2005  
(Unaudited)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### USE OF ESTIMATES

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

### 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

## Edgar Filing: AMETEK INC/ - Form 11-K

occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

### INVESTMENT VALUATION AND INCOME RECOGNITION

Investments in shares of registered investment companies are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year-end. The fair value of the participation units in the common/collective trust is based on quoted redemption values on the last business day of the plan year. Money market and short-term investments are carried at the fair value established by the issuer and/or the trustee. The participant loans are valued at their outstanding book values, which approximates fair value.

Purchases and sales of investments are reflected on trade dates. Realized gains and losses on sales of investments are based on the average cost of such investments. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned.

The net appreciation of investments represents the sum of the change in the difference between year-end market value and cost of investments, and the difference between the proceeds received and the cost of investments sold during the year.

7

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
Notes to Financial Statements  
December 31, 2005  
(Unaudited)

### 3. INVESTMENT PROGRAMS

At December 31, 2005 and 2004, the Vanguard Fiduciary Trust Company was the Trustee and a party-in-interest of the Plan.

A participant may direct contributions (up to certain specified limits) in any of the following investment options.

- AMETEK Stock Fund
- Vanguard Retirement Savings Master Trust
- Registered investment companies:
  - Vanguard Total Bond Market Index Fund
  - Vanguard LifeStrategy Funds
  - Vanguard Wellington Fund
  - Vanguard Windsor II Fund
  - Vanguard PRIMECAP Fund
  - Vanguard Small-Cap Index Fund

# Edgar Filing: AMETEK INC/ - Form 11-K

- Vanguard 500 Index Fund
- Evergreen Small Cap Fund
- Julius Baer International Equity Fund
- BlackRock Small Cap Fund

Participants may change their investment options or transfer existing account balances to other investment options daily.

8

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
Notes to Financial Statements  
December 31, 2005  
(Unaudited)

### 3. INVESTMENT PROGRAMS (CONTINUED)

The fair value of individual investments that represent 5% or more of the Plan's assets at year-end are as follows:

	DECEMBER 31,	
	2005	2004
Vanguard Retirement Savings Master Trust	\$208,421	\$100,161
AMETEK Stock Fund	203,779	164,919
Vanguard Total Bond Market Index Fund	128,293	99,233
Loan Fund	117,915	108,560
Vanguard 500 Index Fund	97,414	69,564
Vanguard Wellington Fund	66,600	55,521
Vanguard LifeStrategy Growth Fund *	59,898	--
Vanguard LifeStrategy Moderate Growth Fund **	--	58,208
Vanguard Prime Money Market Fund ***	--	94,758

\* At December 2004, this investment represented less than 5% of the fair value of the Plan's assets.

\*\* At December 2005, this investment represented less than 5% of the fair value of the Plan's assets.

\*\*\* Effective March 31, 2005, all balances in this fund were rolled into the Vanguard Retirement Savings Master Trust.

During 2005 and 2004 the Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated in value as follows:

DECEMBER 31,  
-----

# Edgar Filing: AMETEK INC/ - Form 11-K

	2005	2004
	-----	-----
Common stock	\$32,300	\$54,270
Registered investment companies	11,389	27,808
	-----	-----
	\$43,689	\$82,078
	=====	=====

9

## Solidstate Controls, Inc. Hourly Employees' (CWA) Retirement Plan Notes to Financial Statements December 31, 2005 (Unaudited)

### 4. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated November 1, 2002, 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. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, continues to be qualified and the related trust is tax exempt.

### 5. ADMINISTRATIVE EXPENSES

The expenses of administering the Plan are payable from the trust funds, unless the Company elects to pay such expenses. At present, the Company elected to pay such expenses directly.

10

## Solidstate Controls, Inc. Hourly Employees' (CWA) Retirement Plan Form 5500, Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2005 (Unaudited)

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	
-----	-----	-----
AMETEK Stock Fund*	Common Stock Fund	\$
Vanguard Retirement Savings Master Trust *	Common/Collective Trust	
Vanguard Total Bond Market Index Fund*	Registered Investment Company	



## Edgar Filing: AMETEK INC/ - Form 11-K

Vanguard LifeStrategy Conservative Growth Fund*	Registered Investment Company
Vanguard LifeStrategy Growth Fund*	Registered Investment Company
Vanguard LifeStrategy Moderate Growth Fund*	Registered Investment Company
Vanguard Wellington Fund*	Registered Investment Company
Vanguard Windsor II Fund*	Registered Investment Company
Vanguard PRIMECAP Fund*	Registered Investment Company
Vanguard Small-Cap Index Fund*	Registered Investment Company
Vanguard 500 Index Fund*	Registered Investment Company
Evergreen Small Cap Value Fund	Registered Investment Company
Julius Baer International Equity Fund	Registered Investment Company
BlackRock Small Cap Fund	Registered Investment Company
Loan Fund*	Interest rates ranging from 5.0% to 7.75%

-----  
\* Indicates party-in-interest to the Plan

11

### SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the Members of the Administrative Committee have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Solidstate Controls, Inc.  
Hourly Employees' (CWA) Retirement Plan  
(Name of Plan)

Dated: June 16, 2006

By: /s/ John J. Molinelli

-----  
John J. Molinelli, Member,  
Administrative Committee

12