

# TEXTRON INC

## FORM 11-K (Annual Report of Employee Stock Plans)

Filed 06/26/01 for the Period Ending 12/31/00

Address	40 WESTMINSTER ST PROVIDENCE, RI 02903
Telephone	4014212800
CIK	0000217346
Symbol	TXT
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	01/02

# TEXTRON INC

## FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/26/2001 For Period Ending 12/31/2000

Address	40 WESTMINSTER ST PROVIDENCE, Rhode Island 02903
Telephone	401-421-2800
CIK	0000217346
Industry	Conglomerates
Sector	Conglomerates
Fiscal Year	12/31

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the fiscal year ended December 31, 2000

Commission File Number 1-5480

A. Full title of the plan and address of the plan:

ELCO THERMOPLASTICS INC.  
PROFIT SHARING PLAN

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

TEXTRON INC.  
40 Westminster Street  
Providence, Rhode Island 02903

REQUIRED INFORMATION

Financial Statements and Exhibit

The following Plan financial statements and schedules prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974 are filed herewith, as permitted by Item 4 of Form 11-K:

Report of Independent Auditors  
Statements of Assets Available for Benefits for each of the two years ended December 31, 2000 and 1999

Statements of Changes in Assets Available for Benefits  
for each of the two years ended December 31, 2000 and 1999  
Notes to financial statements

Supplemental Schedule:

Schedule G, Part III, Nonexempt Transactions  
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

The Consent of Independent Auditors is filed as an exhibit to this Annual Report.

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 on Form 11-K to be signed by the undersigned hereunto duly authorized.

ELCO THERMOPLASITCS INC.  
PROFIT SHARING PLAN

ELCO TEXTRON INC., Plan Administrator

By: / s/Steven A. Wein  
Vice President, General Counsel & Secretary  
Date: June 25, 2001

Financial Statements and Supplemental Schedules

Elco Thermoplastics, Inc. Profit Sharing Plan

Years ended December 31, 2000 and 1999

Elco Thermoplastics, Inc. Profit Sharing Plan

Financial Statements and  
Supplemental Schedules

Years ended December 31, 2000 and 1999

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Report of Independent Auditors

Elco Thermoplastics, Inc. Profit Sharing Plan  
Administration Committee

We have audited the accompanying statements of assets available for benefits of the Elco Thermoplastics, Inc. Profit Sharing Plan as of December 31, 2000 and 1999, and the related statements of changes in 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 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, 2000 and 1999, and the changes in its assets available for benefits for the years then ended, 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 schedule of assets (held at end of year) as of December 31, 2000, and the supplemental schedule of Nonexempt Transactions for the year ended December 31, 2000, 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. The supplemental schedules are the responsibility of 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 financial statements taken as a whole.

ERNST & YOUNG LLP

May 4, 2001

## Elco Thermoplastics, Inc. Profit Sharing Plan

## Statements of Assets Available for Benefits

	<b>December 31</b>	
	<b>2000</b>	<b>1999</b>
<b>Assets</b>		
Investments, at fair value	<b>\$4,655,768</b>	\$5,398,683
Receivables:		
Participant contributions	<b>30,553</b>	35,513
Employer's contributions	<b>189,714</b>	183,545
Total receivables	<b>220,267</b>	219,058
Assets available for benefits	<b>\$4,876,035</b>	\$5,617,741

*See accompanying notes.*

## Elco Thermoplastics, Inc. Profit Sharing Plan

## Statements of Changes in Assets Available for Benefits

	<b>Year ended December 31</b>	
	<b>2000</b>	<b>1999</b>
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	<b>\$ (664,972)</b>	\$ 79,062
Interest and dividends	<b>150,692</b>	271,097
	<b>(514,280)</b>	350,159

Contributions:

Participants	<b>351,486</b>	388,715
Employer	<b>299,750</b>	307,162
	<b>651,236</b>	695,877
Total additions	<b>136,956</b>	1,046,036

Deductions:

Benefits paid to participants	<b>878,068</b>	778,985
Administrative expenses	<b>594</b>	-
Total deductions	<b>878,662</b>	778,985
Net increase (decrease)	<b>(741,706)</b>	267,051
Assets available for benefits at beginning of year	<b>5,617,741</b>	5,350,690
Assets available for benefits at end of year	<b>\$4,876,035</b>	\$5,617,741

*See accompanying notes.*

## **1. Description of the Plan**

The following brief description of the Elco Thermoplastics, Inc. Profit Sharing Plan (the Plan) is provided for general information only. Participants should refer to the Summary Plan Description and Plan document for more complete information.

### **General**

The Plan is a defined contribution plan formed to provide profit-sharing benefits to employees of Elco Thermoplastics, Inc. (the Company), a subsidiary of Elco Textron Inc., and to provide for participant tax-deferred savings under Section 401(k) of the Internal Revenue Code (IRC). All full-time employees of the Company with one year of service are eligible to participate in the Plan. Participants have a 100% vested interest in their account balances. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### **Contributions**

Active participants may make contributions as defined in the Plan. Such contributions may be in the form of Employee Deferral Contributions (as a percentage of the participant's compensation) or Nondeductible Employee Contributions. The Company will contribute an amount equal to 50% of the Employee Deferral Contributions related to the first 4% to 6% of earnings, as defined. Additional Company contributions may be made at the sole discretion of the Board of Directors. The Company made discretionary contributions of \$179,262 and \$170,877 in the years ended December 31, 2000 and 1999, respectively.

### **Participant Notes Receivable**

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance relating to participant contributions only. Loan terms range from 1-5 years or longer if for the purchase of a home. The loans are secured by the balance in the participant's account and bear interest at the current prime rate, plus 1%. Principal and interest is paid ratably through monthly payroll deductions.

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### **Investment Options**

Participants are allowed to direct employer and employee contributions in 10% increments in any of six investment fund options. Participants may change their investment options monthly.

### **Participant Accounts**

Employee contributions and the Company's matching contribution are allocated to each respective participant account. The additional Company contribution, if any, is allocated to participant accounts based on participant compensation, as defined by the Plan, and their years of service in relation to the total of such amounts for all participants.

The allocation of Plan income or loss to participants is made in the same ratio that a participant's account bears to the sum of the balance of all participants' accounts, taking into consideration the dates on which additional contributions and withdrawals are made. Participant account balances are valued daily by the Plan's recordkeeper based on the value of the number of shares owned in each investment fund.

### **Payment of Benefits**

The benefit to which a participant is entitled is the benefit that can be provided from the participant's account balance.

## **2. Significant Accounting Policies**

### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

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### **Investment Valuation**

The Plan's investments are stated at fair value. The shares of the registered investment companies are valued at quoted market prices, which represent the net asset values of the shares held by the Plan at year end. Shares of Textron Inc. common stock are valued based on quoted market value. Money market funds are reported at cost which approximates fair value. Participant notes receivable are valued at their outstanding balances, which approximate fair value.

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

### **Administrative Expenses**

Administrative expenses of the Plans are generally paid by the Company.

### 3. 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 and the collective bargaining agreement.

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### 4. Investments

The Plan's investments are held by the Putnam Fiduciary Trust Company. The fair value of individual investments that exceed five percent of the Plan's assets at December 31, is as follows:

	2000	1999
Textron Inc.--common stock	\$ 862,131	\$ 1,487,616
The George Putnam Fund of Boston	1,574,893	1,510,172
One Group Equity Index Fund	1,372,117	1,604,451
One Group Prime Money Market Fund	683,097	732,015

During 2000 and 1999, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value, as follows:

	Year ended December 31	
	2000	1999
Investments at fair value as determined by quoted market prices:		
Mutual funds	\$ (97,733)	\$ 66,011
Textron Inc.--common stock	(567,239)	13,051
	\$ (664,972)	\$ 79,062

### 5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated June 12, 1995, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC), and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is exempt.

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Elco Thermoplastics, Inc. Profit Sharing Plan

EIN No. 05-0315468 Plan No. 001

Schedule G, Part III, Nonexempt Transactions

Year ended December 31, 2000

Identity of	Relationship to plan,	Description of transactions including maturity date, rate of interest, collateral,	Current Value of
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<b>party involved</b>	<b>employer, or other party-in-interest</b>	<b>par or maturity value</b>	<b>asset</b>
Elco-Textron, Inc.	Employer/Sponsor	Employee contributions not remitted timely. Contributions withheld for the July and August 2000 pay periods; remitted on September 29, 2000.	<b><u>\$64,493</u></b>

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Elco Thermoplastics, Inc. Profit Sharing Plan

EIN No. 05-0315468 Plan No. 001

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

December 31, 2000

<b>Identity of Issue, Borrower, Lessor, or Similar Party</b>	<b>Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value</b>	<b>Current Value</b>
One Group Prime Money Market Fund*	683,097 shares	\$ 683,097
Putnam Voyager Fund*	4,325 shares	103,420
The George Putnam Fund of Boston*	91,510 shares	1,574,893
One Group Equity Index Fund*	45,510 shares	1,372,117
One Group Bond Fund*	2,661 shares	28,046
Textron Inc.--common stock*	18,540 shares	862,131
Participant notes receivable*	9.5% to 10.5%	32,064
		<b><u>\$4,655,768</u></b>

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

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Exhibit 23

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-07121) pertaining to the Elco Thermoplastics, Inc. Profit Sharing Plan of our report dated May 4, 2001, with respect to the financial statements and schedules of the Elco Thermoplastics, Inc. Profit Sharing Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2000.

ERNST & YOUNG LLP

Providence, Rhode Island  
June 20, 2001

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**End of Filing**

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