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BUTLER MANUFACTURING CO

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 Plan year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

COMMISSION FILE NUMBER 001-12335

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

BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST (BEST) PLAN

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

BUTLER MANUFACTURING COMPANY  
1540 GENESSEE STREET  
KANSAS CITY, MO 64102

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Exhibit 99.2 Certification of Periodic Report

INDEPENDENT AUDITORS' REPORT

The Retirement Administrative Committee  
Butler Manufacturing Company:

We have audited the accompanying statements of net assets available for benefits of the Butler Manufacturing Company 401(k) Employee Savings Trust Plan (the Plan) as of December 31, 2002, and 2001, 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 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 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.

/s/ KPMG LLP

Kansas City, Missouri  
May 30, 2003

BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST PLAN  
Statements of Net Assets Available for Benefits  
December 31, 2002 and 2001

2002

2001

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	-----	-----
Assets:		
Investments:		
Fidelity Management Trust Company:		
Managed Income Portfolio	\$ 11,486,801	10,393,045
Puritan Fund	12,200,395	12,575,473
Magellan Fund	23,648,535	30,561,900
Equity Income Fund	10,850,687	12,507,685
Retirement Money Market Trust	11,951,197	11,038,879
Aggressive Growth Fund	2,320,420	2,946,816
Diversified International Fund	1,413,028	1,480,318
Freedom 2000 Funds	2,783,491	2,695,253
Spartan U.S. Equity Index	1,096,450	1,245,801
U.S. Bond Index Fund	1,073,503	421,165
Other	203,526	162,628
Butler common stock fund	2,679,435	3,205,368
Participant loans outstanding	2,610,007	2,664,630
	-----	-----
Total investments	84,317,475	91,898,961
	-----	-----
Receivables:		
Employee contributions receivable	19,057	553,335
Employer contributions receivable	--	1,663,035
	-----	-----
Total receivables	19,057	2,216,370
	-----	-----
Net assets available for benefits	\$ 84,336,532	94,115,331
	=====	=====

See accompanying notes to financial statements

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BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST PLAN

Statements of Changes in Net Assets Available for Benefits  
Years ended December 31, 2002 and 2001

	2002	2001
	-----	-----
Contributions:		
Employee	\$ 8,162,663	8,093,533
Employer	--	1,661,744
Rollover	54,532	52,766
	-----	-----
Total contributions	8,217,195	9,808,043
Income:		
Net depreciation in fair value of investments	(14,751,309)	(8,949,711)

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Interest and dividends	1,980,218	2,947,92
Other:		
Distributions	(5,154,691)	(6,557,76
Administrative expenses	(71,891)	(71,43
Net transfers from another employer-sponsored fund	1,679	10
	-----	-----
Decrease in net assets available for benefits	(9,778,799)	(2,822,85
Net assets available for benefits, beginning of year	94,115,331	96,938,18
	-----	-----
Net assets available for benefits, end of year	\$ 84,336,532	94,115,33
	=====	=====

See accompanying notes to financial statements.

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BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST PLAN

EIN: 44-0188420

PN: 041

Notes to Financial Statements  
December 31, 2002 and 2001

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) GENERAL

Effective March 1, 1987, Butler Manufacturing Company (the Company) established the 401(k) Employee Savings Trust Plan (the Plan), which is administered by the administrative committee. The investments of the Plan are in the custody of Fidelity Institutional Retirement Services Company. The trustee of the Plan is the Fidelity Management Trust Company (Fidelity), which has been appointed by the administrative committee and thereby holds all assets of the Plan in the Butler Master Savings Plan Trust (Master Trust). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan document for more complete information.

(B) BASIS OF PRESENTATION

The Plan's financial statements are presented on the accrual basis

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of accounting and present the net assets available for benefits and changes in those net assets. Benefit payments to participants are recorded when paid.

### (C) ASSETS HELD IN MASTER TRUST

All assets of the Plan are held in the Master Trust and are specifically allocated to each individual plan by participant. Plan assets and changes in plan assets held in trust have been reported by Fidelity based on the fair value of the investments.

The fair value of marketable securities is based upon quotations from national securities exchanges; where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms. When the fair value of securities is not available, the securities are stated at their estimated fair value. Securities transactions are accounted for on the trade date (the date the order to buy or sell is executed).

Investments, which exceeded 5% of the net assets available for benefits at December 31, 2002, and 2001, are shown individually in the statements of net assets available for benefits.

### (D) ADMINISTRATIVE EXPENSES

The expenses incurred by the administrative committee of the Plan in administering plan activity and the expenses incurred by Fidelity in administering the trust may be paid from the assets of the Plan or by the Company, as the Company elects.

### (E) ELIGIBILITY

All full-time salaried and nonunion hourly employees are eligible to participate in the Plan.

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BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST PLAN  
EIN: 44-0188420  
PN: 041

Notes to Financial Statements  
December 31, 2002 and 2001

### (F) VESTING

All eligible employees participating in the Plan are immediately 100% vested in employer and employee contributions.

### (G) TERMINATION

Although it has expressed no intention to do so, the Company's board of directors may terminate the Plan at any time, subject to the provisions of ERISA. If the Plan is terminated, each participant's account balance will be, at the discretion of the Company, distributed in a lump sum or held in trust to be distributed upon each participant's retirement, death,

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disability, or termination of employment.

### (H) USE OF ESTIMATES

The Plan utilizes a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

### (I) RECLASSIFICATIONS

Certain inconsequential reclassifications have been made to prior years' information to conform to the 2002 presentation.

## (2) CONTRIBUTIONS

Employees may contribute to the Plan from 1 to 20% of their compensation in 1% increments, subject to applicable Internal Revenue Service (IRS) regulations. Participants may direct investments of their contribution in 1% increments among the funds established by the Company. At the discretion of the Company's board of directors and based on the Company's profitability, the Company can elect to match employee contributions in an amount no greater than 30%. This match is limited to 6% of employee contributions and one-third of all company-matching contributions shall be invested in the Butler common stock fund. Such investments shall remain in the Butler common stock fund until the participant's termination of employment. This match is applicable only to employees who are active employees on December 31, except in cases of retirement, disability, or death.

## (3) DISTRIBUTIONS

If a participant retires on or after attaining age 55, becomes totally or permanently disabled, dies, or terminates employment for any other reason, the full value of the account becomes distributable. If the value of the amount distributable exceeds \$5,000, the distribution cannot be made until the participant reaches age 65 or gives consent to the distribution. All distributions must be made prior to April 1 of the calendar year immediately following the date the participant reaches age 70-1/2, even if still employed. All distributions shall be made in a single payment of cash.

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BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST PLAN  
EIN: 44-0188420  
PN: 041

Notes to Financial Statements  
December 31, 2002 and 2001

Distributions payable to vested participants at December 31, 2002, and 2001 was \$1,411,454 and \$365,078, respectively. These distributions are not recorded as a liability in the accompanying financial statements; however, they are recorded as a liability of the Plan for purposes of the Plan's Form 5500.

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(4) IN-SERVICE WITHDRAWALS

Employee contributions, in part or in total, may be withdrawn for extreme financial hardships. Such financial hardships include college costs, excessive medical expenses, the purchase of a principal residence, or to prevent eviction from a principal residence.

(5) LOANS TO PARTICIPANTS

At the discretion of the administrative committee, loans may be made to a participant up to the lesser of \$50,000 or 50% of the value of the participant's account. No loan may be for an amount less than \$1,000. Loans are secured by an assignment of the participant's total account balance in the Plan. Loan maturities may not be less than one year nor exceed five years, except for home loans. Interest rates will be set by the administrative committee in accordance with uniform procedures consistently applied in a manner that does not discriminate in favor of officers, shareholders, or highly compensated participants.

(6) ASSETS HELD IN MASTER TRUST

The net assets of the Master Trust available for all participating plans at December 31, 2002, and 2001 were as follows:

	2002	2001
	-----	-----
Assets:		
Investments:		
Short-term investments	\$ 13,705,245	12,657,
Fixed income funds	13,732,231	11,868,
Domestic equities funds	57,629,522	68,108,
International equities funds	1,461,344	1,507,
Butler common stock fund	2,765,984	3,321,
Participant loans outstanding, at interest rates ranging from 9% to 10%	3,010,882	3,161,
	-----	-----
	92,305,208	100,625,
Receivables:		
Employee contribution receivable	33,174	619,
Employer contribution receivable	--	1,663,
	-----	-----
Total net assets available for benefits	\$ 92,338,382	102,908,
	=====	=====

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The changes in net assets of the Master Trust for the years ended December 31, 2002, and 2001 were as follows:

	2002	2001
	-----	-----
Additions:		
Employer contributions	\$ 6,737	1,716,159
Employee contributions	8,967,929	9,023,088
Rollovers	54,532	52,760
Interest and dividends	2,185,031	3,262,692
	-----	-----
Total additions	11,214,229	14,054,699
Change in fair value of investments:		
Mutual funds	(14,676,585)	(9,870,542)
Butler common stock fund	(1,136,126)	319,158
	-----	-----
Total change in fair value of investments	(15,812,711)	(9,551,384)
Deductions:		
Distributions	(5,886,614)	(7,045,615)
Administrative expenses	(84,696)	(84,599)
	-----	-----
Total deductions	(5,971,310)	(7,130,214)
	-----	-----
Net decrease	(10,569,792)	(2,626,899)
Net assets available for benefits:		
Beginning of year	102,908,174	105,535,073
	-----	-----
End of year	\$ 92,338,382	102,908,174
	=====	=====

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BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST PLAN  
EIN: 44-0188420  
PN: 041

Notes to Financial Statements  
December 31, 2002 and 2001

(7) NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the



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changes in net assets relating to the nonparticipant-directed investments as of December 31 are as follows:

	2002	2001
	-----	-----
Net assets:		
Butler common stock fund	\$ 2,679,435	3,205,368
	=====	=====
Changes in net assets:		
Contributions	\$ 810,275	793,575
Interest and dividends	93,064	74,245
Net appreciation (depreciation)	(1,099,292)	306,506
Benefits paid to participants	(225,760)	(174,826)
Transfer to participant-directed investments	(35,514)	(177,740)
Loan withdrawals	(5,322)	(13,486)
Administrative fee	(63,384)	(61,719)
	-----	-----
	\$ (525,933)	746,555
	=====	=====

### (8) INVESTMENT PORTFOLIO RISK

The Plan provides for various investments, which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

### (9) FEDERAL INCOME TAXES

The Plan has received a favorable determination letter, dated July 18, 2002, from the IRS, qualifying the Plan under the Internal Revenue Code and exempting the trust from Federal income taxes. The Plan has been amended since receiving the determination letter. The plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes is included in these financial statements.

BUTLER MANUFACTURING COMPANY  
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Notes to Financial Statements  
December 31, 2002 and 2001

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(10) FORM 5500 RECONCILIATION

The reconciliation of the net assets available for benefits between the financial statements and the Form 5500 as of December 31 are as follows:

	2002 -----	2001 -----
Net assets available for benefits per the financial statements	\$ 84,336,532	94,115,
Benefit obligations currently payable	(1,411,454)	(365,
	-----	-----
Net assets available per the Form 5500	\$ 82,925,078 =====	93,750, =====

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2002, to the Form 5500.

Benefits paid to participants per the financial statements	\$ 5,154,691
Amounts currently payable at December 31, 2002	1,411,454
Amounts currently payable at December 31, 2001	(365,078)
	-----
Benefits paid to participants per the Form 5500	\$ 6,201,067 =====

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BUTLER MANUFACTURING COMPANY  
401(K) EMPLOYEE SAVINGS TRUST

SIGNATURE

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

June 30, 2003  
-----  
Date

/s/ Larry C. Miller  
-----  
Larry C. Miller  
Vice President - Finance,  
and Chief Financial Officer

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EXHIBIT INDEX

EXHIBIT NO. -----	EXHIBIT DESCRIPTION -----
23	Independent Auditors' Consent
99.1	Certification of Periodic Report
99.2	Certification of Periodic Report

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