

ANGELICA CORP /NEW/  
Form 11-K  
June 29, 2007

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**UNITED STATES  
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, 2006

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

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

**Commission File number 1-5674**

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

**THE ANGELICA CORPORATION  
RETIREMENT SAVINGS PLAN**

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

**ANGELICA CORPORATION  
424 South Woods Mill Road**

**Chesterfield, Missouri 63017-3406**



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***THE ANGELICA CORPORATION  
RETIREMENT SAVINGS PLAN  
FINANCIAL STATEMENTS  
DECEMBER 31, 2006***

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**Contents**

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|  | <b>Page</b> |
|--|-------------|
| <b><u>Report Of Independent Registered Public Accounting Firm</u></b>            | 1           |
| <b>Financial Statements</b>  |             |
| <u>Statements Of Net Assets Available For Benefits</u>                           | 2           |
| <u>Statements Of Changes In Net Assets Available For Benefits</u>                | 3           |
| <u>Notes To Financial Statements</u>   | 4-7         |
| <b>Supplementary Information</b>   |             |
| <u>Report of Independent Public Accounting Firm On Supplementary Information</u> | 8           |
| <u>Schedule Of Assets Held At End Of Year</u>                                    | 9           |

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**Report Of Independent Registered Public Accounting Firm**

To the Retirement Savings Plan Committee  
of Angelica Corporation

We have audited the accompanying statements of net assets available for benefits of The Angelica Corporation Retirement Savings Plan (the Plan) as of December 31, 2006 and 2005, 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 upon 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. An audit includes 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 Company'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, 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, 2006 and 2005, 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/ RubinBrown LLP

St. Louis, Missouri  
June 29, 2007

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**THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN**


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**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

|  | <b>December 31,</b>  |                      |
|--|----------------------|----------------------|
|  | <b>2006</b>          | <b>2005</b>          |
| <b>Assets</b>                              |                      |                      |
| <b>Investments, At Fair Value (Note 3)</b> | <b>\$ 29,331,321</b> | <b>\$ 28,141,742</b> |
| <b>Receivables</b>                         |                      |                      |
| Participant contributions                  | <b>66,410</b>        | 64,651               |
| Employer contributions                     | <b>76,504</b>        | 166,903              |
| Interest                                   | <b>61,121</b>        | 54,845               |
| Due from brokers                           | <b>--</b>            | 4,500                |
| <b>Total Receivables</b>                   | <b>204,035</b>       | <b>290,899</b>       |
| <b>Cash</b>                                | <b>41,631</b>        | <b>35,683</b>        |
| <b>Net Assets Available For Benefits</b>   | <b>\$ 29,576,987</b> | <b>\$ 28,468,324</b> |

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 See the accompanying notes to financial statements.

Page 2

**THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

|   | <b>For The Years<br/>Ended December 31,</b> |                      |
|---|---|----------------------|
|   | <b>2006</b>                                 | <b>2005</b>          |
| <b>Additions To Net Assets Attributed To:</b>                   |   |                      |
| <b>Investment Income</b>  |   |                      |
| Net appreciation in fair value of investments (Note 3)          | \$ 2,935,004                                | \$ 717,941           |
| Interest and dividends  | 65,709                                      | 56,483               |
| <b>Net Investment Income</b>                                    | <b>3,000,713</b>                            | <b>774,424</b>       |
| <b>Contributions</b>  |   |                      |
| Participant   | 2,138,770                                   | 2,319,845            |
| Employer  | 718,291                                     | 822,349              |
| Participant rollover  | 272,651                                     | 751,072              |
| <b>Total Contributions</b>                                      | <b>3,129,712</b>                            | <b>3,893,266</b>     |
| <b>Other Income</b>   | --  | 5,171                |
| <b>Total Additions</b>  | <b>6,130,425</b>                            | <b>4,672,861</b>     |
| <b>Deductions From Net Assets Attributed To:</b>                |   |                      |
| Benefits paid directly to participants                          | 5,007,090                                   | 5,054,081            |
| Other expenses  | 14,672                                      | 7,600                |
| <b>Total Deductions</b>   | <b>5,021,762</b>                            | <b>5,061,681</b>     |
| <b>Net Increase (Decrease)</b>                                  | <b>1,108,663</b>                            | <b>(388,820)</b>     |
| <b>Net Assets Available For Benefits-<br/>Beginning Of Year</b> | <b>28,468,324</b>                           | <b>28,857,144</b>    |
| <b>Net Assets Available For Benefits-<br/>End Of Year</b>       | <b>\$ 29,576,987</b>                        | <b>\$ 28,468,324</b> |

See the accompanying notes to financial statements.

Page 3

**THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN**

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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2006 And 2005**

**1. Description Of The Plan**

The following description of The Angelica Corporation Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

**General**

The Plan, as amended and restated, was adopted by the Board of Directors of Angelica Corporation (the Company) and is a defined contribution profit sharing plan that includes a 401(k) provision. The Company is the Plan Administrator and the assets of the Plan are held in trust by Marshall & Ilsley Trust Company N.A. (the Custodian and Trustee).

Effective January 1, 2007, the Company transferred the assets of the Plan to Fidelity Trust Company, the Plan's new Custodian and Trustee.

**Eligible Participants**

All employees who have either (i) completed six months of service with the Company and are age 21 or older or (ii) completed two years of service, are eligible to participate in the Plan, except for certain classifications of employees who are excluded from Plan eligibility (as defined by the Plan).

**Contributions**

Eligible employees may contribute up to 20% of their annual compensation to the Plan through payroll deferrals, subject to Internal Revenue Code limitations. The Company provides a matching contribution in an amount equal to 30% of the compensation deferred up to, but not exceeding 6% of annual compensation. The Company provides a profit sharing contribution in an amount equal to 0.5% of annual compensation of eligible participants.

**Participant Accounts**

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and Plan earnings. Earnings allocations are based on the performance of the investment choices of each participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.



## THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

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Notes To Financial Statements (Continued)

### **Vesting**

Employees participating in the Plan prior to January 1, 2005 are immediately 100% vested in their deferrals and Company contributions plus actual earnings thereon. Effective January 1, 2005, new Plan participants become vested in Company contributions over a five-year vesting period. A participant is 25% vested after two years, increasing 25% each year to 100% vested after five years.

### **Payment Of Benefits**

Participants are entitled to receive the vested balance of their accounts upon death, retirement or termination of employment, or upon request after reaching age 59-1/2. Participants who have suffered a hardship (as defined by the Plan) may also withdraw a portion of their account balances.

### **Participant Loans**

The Plan allows participants to borrow from their account, subject to certain limitations. Loans bear interest at the prime rate plus 0.5% at the time the loan is made. All loans are secured by the participant's account. Principal and interest are paid ratably through payroll deductions. The outstanding participant loans at December 31, 2006 bear interest at rates ranging from 4.5% to 10% and are due at various dates through March 2026.

### **Forfeitures**

At December 31, 2006 and 2005, forfeited nonvested accounts totaled approximately \$11,000 and \$8,000, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2006, employer contributions were reduced by approximately \$35,000 from forfeited nonvested accounts.

## **2. Summary Of Significant Accounting Policies**

### **Estimates And Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

**THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN**

Notes To Financial Statements (Continued)

**Basis Of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

**Investment Valuation And Income Recognition**

Investments in mutual funds are valued at reported net asset value at December 31 as determined by the fund manager.

Investment income is recorded as earned on the accrual basis.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the Stable Principal Fund, which is fully-benefit-responsive investment fund. Since the fair value of this contract also approximates its contract value, the Statement of Changes in Net Assets Available for Benefits does not require a separate adjustment for reporting the Plan net assets on a contract value basis. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

**Payment Of Benefits**

Benefits are recorded when paid.

**3. Investments**

The Custodian of the Plan holds the Plan's investments and executes related investment transactions.

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

|                                  | <b>December 31,</b> |              |
|----------------------------------|---------------------|--------------|
|                                  | <b>2006</b>         | <b>2005</b>  |
| American Balanced Fund           | \$ 2,455,837        | \$ 2,483,798 |
| Washington Mutual Investors Fund | 6,257,572           | 6,465,204    |
| M&I Stable Principal Fund        | 13,661,486          | 13,309,089   |

The net appreciation (depreciation) in fair value of investments is:

**For The Years**

|              | <b>Ended December 31,</b> |                   |
|--------------|---------------------------|-------------------|
|              | <b>2006</b>               | 2005              |
| Mutual funds | \$ 2,410,233              | \$ 1,117,597      |
| Common stock | 524,771                   | (399,656)         |
|              | <b>\$ 2,935,004</b>       | <b>\$ 717,941</b> |

The Plan is invested in a benefit-responsive Stable Principal Fund with Marshall & Ilsley Trust Company (M&I). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Stable Principal Fund is reflected in the financial statements at fair market value, which is equal to contract value.

As described in Note 2, because the Stable Principal Fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the stable value fund. Contract value, as reported to the Plan by M&I, represents contributions, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value under all circumstances including the termination of the plan. The fund could be limited in its ability to transact with issuers at contract value if the fund raises its risk profile or is subject to an extended period of significant cash outflow.

## THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN

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Notes To Financial Statements (Continued)

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on a daily basis for resetting.

The investments included in this fund have an average yield of 4.47% and 4.00% for the years ended December 31, 2006 and 2005 respectively. The average crediting interest rate was 4.63% and 4.18% at December 31, 2006 and 2005, respectively.

### **4. Income Tax Status**

The Plan obtained its latest determination letter on June 17, 2002 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. During 2005, the Plan Administrator was working to correct certain insignificant Plan operational issues to ensure compliance with the applicable requirements of the Internal Revenue Code, the effects of which the Plan Administrator believes are not material to the financial statements taken as a whole. The operational issues were corrected in 2006 and the Plan Administrator believes the Plan will continue to be treated as qualified and the related trust continues to be tax exempt.

### **5. Plan Termination**

Although it has not expressed intent to do so, the Company has the right to terminate the Plan, subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### **6. Related Party Transactions**

Due to its affiliation with the Plan, transactions involving Angelica Corporation common stock qualify as party-in-interest transactions. Marshall & Ilsley Trust Company N.A. (M&I) is the custodian of the Plan and, as such, is a party-in-interest. Therefore, the purchase by the Plan of certain proprietary funds sponsored by M&I constitute party-in-interest transactions, which are allowable transactions under the ERISA regulations.

**Report of Independent Public Accounting Firm On Supplementary Information**

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for the purpose of additional analysis and is not a required part of the basic 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 schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ RubinBrown LLP

June 29, 2007

**THE ANGELICA CORPORATION RETIREMENT SAVINGS PLAN**

**EIN: 43-0905260 PLAN NO: 003  
SCHEDULE OF ASSETS HELD AT END OF YEAR  
December 31, 2006**

| (a)                                | (b) Identity of Issue,<br>Borrower, Lessor, Or<br>Similar Party | (c) Description Of Investment Including<br>Maturity Date, Rate Of Interest,<br>Collateral, Par, Or Maturity Value | (e) Current<br>Value |
|------------------------------------|---|---|----------------------|
| <b>Common Stock</b>                |   |   |                      |
| *                                  | Angelica Corporation  | Common Stock  | \$ 1,285,795         |
| <b>Mutual Funds</b>                |   |   |                      |
|                                    | American Funds  | Balanced Fund   | 2,455,837            |
|                                    | American Funds  | Washington Mutual Investors Fund  | 6,257,572            |
|                                    | American Funds  | EuroPacific Growth Fund   | 1,365,160            |
|                                    | Calamos Advisors  | Calamos Growth Fund   | 824,196              |
|                                    | Fidelity  | Advisor Strategic Income Fund   | 495,878              |
|                                    | Vanguard Group  | Vanguard 500 Index Fund   | 1,409,782            |
|                                    | Managers Investments  | Managers Special Equity Fund  | 786,595              |
|                                    | <b>Total Mutual Funds</b>                                       |   | <b>13,595,020</b>    |
| <b>Money Market And Securities</b> |   |   |                      |
| <b>Due In 1 Year</b>               |   |   |                      |
| *                                  | Marshall & Ilsley   | M&I Stable Principal Fund   | 13,661,486           |
|                                    | <b>Money Market</b>   | Cash  | 41,631               |
|                                    | <b>Participant Loans</b>  | Interest rates ranging from 4.5% - 10%, due<br>at various dates through March 2026                                | 789,020              |
|                                    |   |   | <b>\$29,372,952</b>  |

\* Represents a party-in-interest.

The above information is a required disclosure for IRS Form 5500, Schedule H, Part IV, line 4i.



SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this report on Form 11-K to be signed on its behalf by the undersigned, thereunto duly authorized.

**THE ANGELICA  
CORPORATION  
RETIREMENT SAVINGS  
PLAN**

By: /s/ James W. Shaffer  
James W. Shaffer, Member,  
Retirement  
Savings Plan Administrator  
Committee; and  
Vice President, Chief Financial  
Officer of  
Angelica Corporation

June 29, 2007

Page 10

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**EXHIBIT INDEX**

ExhibitDescription

No.

23.1 Consent of RubinBrown LLP, Independent Registered Public Accounting Firm

