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KIMCO REALTY CORP
Form 11-K
October 28, 2002

As filed with the Securities and Exchange Commission on October 28, 2002

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)

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

For the fiscal year ended April 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934 [NO FEE REQUIRED]

For the transition period from to

Commission file number: I-10899

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

KIMCO REALTY CORP. 401(k) PLAN

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

KIMCO REALTY CORPORATION
3333 NEW HYDE PARK RD, SUITE 100
NEW HYDE PARK, NY 11042

KIMCO REALTY CORP. 401(k) PLAN

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

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Report of Independent Accountants
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Statements of Changes in Net Assets Available for Benefits for the fiscal
years ended April 30, 2002 and 2001
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
Kimco Realty Corp. 401(k) Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Kimco Realty Corp. 401(k) Plan (the "Plan") at April 30, 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. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions included on pages 8 and 9 are presented for the purpose of additional analysis and are not a required part of the basic 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. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP

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New York, New York
October 24, 2002

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Kimco Realty Corp. 401(k) Plan
Statements of Net Assets Available for Benefits
April 30, 2002 and 2001

	2002 -----	2001 -----
Assets		
Investments at fair value:		
Cash	\$7,852,257	\$ 13,251
Income receivable	5,101	-
Collective trust	-	1,562,487
Mutual funds	-	6,404,006
Common stock	1,621,528	1,166,301
	-----	-----
	9,478,886	9,146,045
Loans to participants	162,389	182,776
Contributions receivable:		
Participants	96,340	84,108
Employer	61,160	54,874
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$9,798,775 =====	\$9,467,803 =====

The accompanying notes are an integral part of these financial statements.

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Kimco Realty Corp. 401(k) Plan
Statements of Changes in Net Assets Available for Benefits
Years ended April 30, 2002 and 2001

	2002 -----	2001 -----
Additions to net assets:		
Contributions:		

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Participants' salary deferral	\$ 1,091,193	\$ 899,570
Employer matching of salary deferral	712,660	648,206
Participants' rollover	96,096	207
	-----	-----
	1,899,949	1,547,983
	-----	-----
Investment income:		
Net (depreciation) appreciation in fair value of investments	(919,242)	(1,493,955)
Interest and dividends	297,761	600,560
	-----	-----
	(621,481)	(893,395)
	-----	-----
Other receipts and credits	10,041	2,525
	-----	-----
Total additions	1,288,509	657,113
	-----	-----
Deductions from net assets:		
Benefits paid to participants	(940,462)	(934,522)
Other disbursements	(17,075)	(2,825)
	-----	-----
Total deductions	(957,537)	(937,347)
	-----	-----
Net increase (decrease)	330,972	(280,234)
Net assets available for benefits:		
Beginning of year	9,467,803	9,748,037
	-----	-----
End of year	\$ 9,798,775	\$ 9,467,803
	=====	=====

The accompanying notes are an integral part of these financial statements.

KIMCO REALTY CORP. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN:

The following description of the Kimco Realty Corp. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the

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Plan agreement for a more comprehensive description of the Plan's provisions.

General - The Plan was established on March 1, 1984 as a defined contribution plan covering all eligible employees of Kimco Realty Corporation (the "Company") who have completed one year of service and are age eighteen or older. The Plan was last amended on July 1, 1994 to comply with the Tax Reform Act of 1986 and subsequent legislation. Eligible employees may elect to participate in the Plan on the first day of the month, after their first year of service. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions - Each year, participants may contribute up to 10 percent of pre-tax annual compensation, as defined in the Plan. A participant's total contributions may not exceed an amount determined by the Internal Revenue Service each calendar year (\$11,000 in 2002 and \$10,500 in 2001). The participants may change their percentage contribution election monthly. The Company matches participants' contributions annually up to 5% of base compensation subject to IRS limitations. In addition to the matching contribution, the Company may make a discretionary contribution which is determined and approved by the Company's board of directors annually. No discretionary contribution payments were made for the fiscal years ended April 30, 2002 and 2001. All Company contributions are invested based upon participant account elections.

Participant accounts - Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings.

Vesting - Participants are immediately vested in their voluntary and Company matching contributions plus actual earnings thereon.

Investment options - Upon enrollment in the Plan, participants may direct their contributions into any one of the following 26 investment options for the fiscal years ended April 30, 2002 and 2001. (See Note 8)

- 1) Merrill Lynch Corporate Bond Fund, Inc.
- 2) Merrill Lynch S&P 500 Index Fund
- 3) Merrill Lynch Basic Value Fund, Inc.
- 4) Merrill Lynch Capital Fund, Inc.
- 5) Merrill Lynch Fundamental Growth Fund
- 6) Merrill Lynch Global Allocation Fund, Inc.
- 7) Merrill Lynch Retirement Preservation Trust
- 8) Merrill Lynch Growth Fund
- 9) Alliance Premiere Growth Fund
- 10) AIM Blue Chip Fund
- 11) AIM International Equity Fund
- 12) Massachusetts Investors Trust
- 13) MFS Emerging Growth Fund
- 14) Kimco Realty Corporation - Common Stock
- 15) Dreyfus Premier Balance Fund
- 16) Dreyfus Worldwide Growth Fund
- 17) Merrill Lynch Corporate Bond Fund - Intermediate Term Portfolio
- 18) Merrill Lynch Corporate Bond Fund - Investment Grade Portfolio
- 19) Merrill Lynch Global Value Fund
- 20) Merrill Lynch International Equity Fund

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KIMCO REALTY CORP. 401(k) PLAN NOTES TO FINANCIAL STATEMENTS (Continued)

- 21) Merrill Lynch Small Cap Index
- 22) Merrill Lynch Global Growth Fund
- 23) Oppenheimer Global Growth and Income Fund
- 24) Phoenix-Engemann Small/Middle Growth
- 25) PIMCO Total Return Fund
- 26) Van Kampen American Value Fund

Participants may change their investment options daily.

Loans to Participants - Participants may borrow from their fund accounts, an amount aggregating the lesser of 50% of their total account balance or \$50,000. Participants may have only one loan outstanding at a time. Loan terms range from one to five years or a reasonable period of time greater than 5 years for the purchase of a principal residence. The loans are collateralized by the balance in the participant's account and bear interest at the prime rate plus 0.5%. The interest rate must be one that a bank or other professional lender would charge for making a loan in similar circumstance. The interest rate for loans outstanding at April 30, 2002 and 2001 ranged from 5.25% to 10.5%.

Payment of benefits - Upon termination of service due to death, total and permanent disability, or retirement, a participant may elect to either receive a lump-sum amount equal to the value of the participant's vested interest in his or her account or select the installment plan, provided the participant's account balance exceeds \$5,000. For termination of service due to other reasons, a participant may receive the value of his or her account as a lump-sum distribution.

2. SUMMARY OF ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Certain 2001 amounts have been reclassified to conform to the 2002 financial statement presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of commitments at the date of the financial statements and the changes in net assets available for benefits during the reporting period. The most significant estimates relate to the valuation of investments. Actual results could differ from those estimates. Moreover, it is reasonably possible that the value of these investments will change in the ensuing year.

Investment Valuation and Income Recognition

Mutual funds, common stock investments and collective trusts are stated at fair market value as determined by quoted market prices. Participant loans are valued at cost, which, in the opinion of management, approximates 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 record date.

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Risks and Uncertainties

The Plan provides for various investment options which may invest in any combination of stock and bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

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KIMCO REALTY CORP. 401(k) PLAN NOTES TO FINANCIAL STATEMENTS (Continued)

3. ASSETS HELD FOR INVESTMENT PURPOSES:

For the years ended April 30, 2002 and 2001, Merrill Lynch Trust Company ("Merrill Lynch") served as trustee of the plan (See Note 8). The fair market value of the following investments represent 5% or more of the Plan's net assets available for benefits at April 30, 2002 and 2001:

	2002 ----	2001 ----
Merrill Lynch S&P 500 Index Fund	\$ -	\$ 988,832
Merrill Lynch Capital Fund, Inc.	\$ -	\$ 490,194
Merrill Lynch Fundamental Growth Fund	\$ -	\$1,326,241
Merrill Lynch Retirement Preservation Trust	\$ -	\$1,562,487
Kimco Realty Corporation Common Stock	\$ 1,621,528	\$1,166,301
Aim Blue Chip Fund	\$ -	\$ 573,938

In 2002 and 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value as follows:

	2002 ----	2001 ----
Mutual Funds	\$(1,059,169)	\$ (1,605,019)
Common Stock	139,927	111,064
	-----	-----
	\$(919,242)	\$ (1,493,955)
	=====	=====

4. 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. In the event of Plan termination, account balances will be distributed in accordance with Plan provisions.

5. TAX STATUS:

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The Plan has received a favorable determination letter, dated June 24, 1998, from the Internal Revenue Service that the Plan qualifies under Section 401 (a) of the Internal Revenue Code ("IRC") and, therefore, has made no provision for federal income taxes under the provisions of Section 501 (a). The Company believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

6. PARTY-IN-INTEREST TRANSACTIONS:

All administrative expenses and accounting fees of the Plan are paid by the Company. Certain Plan investments are shares of mutual funds managed by Merrill Lynch. Merrill Lynch is the trustee as defined by the Plan and therefore, these transactions qualify as party-in-interest. The following investment funds are sponsored by the Trustee:

- Merrill Lynch Corporate Bond Fund, Inc.
- Merrill Lynch S&P Index Fund
- Merrill Lynch Basic Value Fund, Inc.
- Merrill Lynch Capital Fund, Inc.
- Merrill Lynch Fundamental Growth Fund
- Merrill Lynch Global Allocation Fund, Inc.
- Merrill Lynch Retirement Preservation Trust
- Merrill Lynch Growth Fund
- Merrill Lynch Corp Bond Fund - Intermediate Term Portfolio
- Merrill Lynch Corp Bond Fund - Investment Grade Portfolio
- Merrill Lynch Global Value Fund
- Merrill Lynch Small Cap Index
- Merrill Lynch Global Growth Fund

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KIMCO REALTY CORP. 401(k) PLAN NOTES TO FINANCIAL STATEMENTS (Continued)

Merrill Lynch International Equity Fund

In addition, investments are made in Kimco Realty Corporation common stock.

7. RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND FORM 5500:

At April 30, 2002 and 2001, net assets available for benefits as reported in the Form 5500 were less than net assets reported in the financial statements because the financial statements included an asset for contributions receivable in the amount \$157,500 and \$138,982, respectively, which were not included in Form 5500.

8. SUBSEQUENT EVENT

Effective May 1, 2002, the Company entered into agreements with UBS/Paine Webber ("UBS") as the trustee and custodian, and MFS Investment Management ("MFS") as record-keeper for the Plan. In connection with the custodian agreement, except for Kimco Realty Corporation common stock, the Plan liquidated all investments held by the previous custodian, Merrill Lynch, based on each investment fund's market value as of April 30, 2002 with the aggregate amount held in a cash account. Such amounts were reinvested into investment funds offered by MFS, on behalf of the Plan, based on each investment fund's market value as of May 1, 2002.

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The following illustrates the amounts invested and the number of shares owned in each of the investment funds offered by MFS as of May 1, 2002:

Investment Fund	Shares Purchased/Owned	Market Value As of May 1, 2002
MFS Bond Fund	51,178	\$ 627,441
MFS Mid-Cap Growth Fund	4	\$ 33
MFS New Discovery Fund	1,328	\$ 20,649
American Europacific Growth Fund	36,928	\$1,010,347
Washington Mutual Investors Fund	8,343	\$ 238,359
Davis New York Venture Fund	6,822	\$ 169,924
The Growth Fund of America	104,642	\$2,331,418
UBS Tactical Allocation Fund	40,237	\$ 990,240
Franklin Mutual Qualified Fund	13,333	\$ 228,925
Alliance Balanced Shares Fund	33,352	\$ 493,267
MFS Fixed Fund	1,736,338	\$1,736,338
Kimco Realty Corporation - Common Stock	50,725	\$1,648,563

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Kimco Realty Corp. 401(k) Plan
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
as of April 30, 2002

April 30, 2002

Identity	Description of Investment	Shares	Cost
Common Stock:			
Kimco Realty Corp*	Common Stock	50,515	\$1,517,7
Participants*:	Participant Loans at prime plus 0.5%		\$ 162,3
Cash:	Cash		\$7,852,2

* Denotes a party-in-interest.

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Kimco Realty Corp. 401(k) Plan
Schedule H, line 4j - Schedule of Reportable Transactions for the

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year ended April 30, 2002

The following represents the liquidation of the Fund's assets on April 30, 2002:

Identity -----	Description of Asset -----	Purchase Price -----	Selling Price -----
Mutual Funds:			
Merrill Lynch *	Retirement Preservation Trust	\$1,744,992	\$1,744,992
Merrill Lynch *	Fundamental Growth Fund	1,582,089	1,304,530
Merrill Lynch *	Aggregate Bond Index	26,823	26,845
Merrill Lynch *	Global Growth Fund	73,978	60,992
Aim	International Growth Fund	213,462	195,095
Alliance	Premier Growth Fund	427,624	325,067
Oppenheimer	Global Growth and Income Fund	247,472	225,560
Mass. Financial	Investors Trust	159,802	138,196
Merrill Lynch *	International Equity Fund	6,093	5,911
Dreyfus	Premier Worldwide Growth Fund	137,262	123,894
Van Kampen	American Value Fund	30,131	31,501
MFS	Emerging Growth Fund	334,194	266,944
Merrill Lynch *	Basic Value Fund	257,020	238,292
Merrill Lynch *	Balanced Capital Fund	438,648	408,329
Merrill Lynch *	Bond Care Fund	320,168	324,383
Merrill Lynch *	Global Allocation Fund	369,742	360,285
Merrill Lynch *	Corp Bond Fund Intermediate	22,422	22,579
Dreyfus	Premier Balance Fund	93,686	84,910
Aim	Blue Chip Fund	531,315	434,668
Merrill Lynch *	Global Value Fund	46,293	38,471
Phoenix-Engemann	Small Mid-Cap Fund	295,776	228,891
PIMCO	Total Return Fund	255,950	253,574
Merrill Lynch *	S&P 500 Cap Index Fund	1,126,780	990,212
Merrill Lynch *	Small Cap Index Fund	19,336	20,636
		-----	-----
		\$8,761,058	\$7,854,757
		-----	-----
Less Administrative Expenses		-	2,500
		-----	-----
Totals		\$8,761,058	\$7,852,257
		=====	=====

* Denotes a party-in-interest.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plans) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized, on the 28th day of October.

Kimco Realty Corp. 401(k) Plan, as administrator

By: /s/ Michael V. Pappagallo

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Michael V. Pappagallo
Its: Chief Financial Officer

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Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-60050) of Kimco Realty Corporation and Subsidiaries of our report dated October 24, 2002 relating to the financial statements of Kimco Realty Corp. 401(k) Plan, which appears in this Form 11-K.

/s/ PricewaterhouseCoopers LLP
New York, NY
October 24, 2002