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MONRO MUFFLER BRAKE INC
Form 11-K
September 27, 2002

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 (FEE REQUIRED)

For the fiscal year ended March 31, 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 0-19357

MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

(Full title of the plan)

MONRO MUFFLER BRAKE, INC.
200 HOLLEDER PARKWAY
ROCHESTER, NY 14615

(Name of issuer of the securities held pursuant to the
plan and address of its principal executive office)

MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

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Schedule of Assets (Held at End of Year) (Schedule H, Part IV (1)) March 31, 2002	10
All other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.	
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator of
Monro Muffler Brake, Inc. Profit Sharing Plan

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In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for plan benefits of Monro Muffler Brake, Inc. Profit Sharing Plan (the "Plan") at March 31, 2002 and 2001, and the changes in net assets available for plan benefits for the year ended March 31, 2002 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 misstatements. 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 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 supplemental schedule has been subjected to the auditing procedures applied in the audits 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/ PricewaterhouseCoopers LLP

September 13, 2002

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MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

MARCH 31,

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	2002 -----	2001 -----
ASSETS		
Cash and cash equivalents	\$ 11,888	\$ 8,567
	-----	-----
Investments, at fair value	13,680,906	12,574,365
	-----	-----
Receivables:		
Participants' contributions	93,358	129,855
Employer's contributions	93,600	109,500
Loans receivable	354,728	199,813
	-----	-----
Total receivables	541,686	439,168
	-----	-----
Net assets available for plan benefits	\$14,234,480	\$13,022,100
	=====	=====

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

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MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

YEAR ENDED MARCH 31,

2002

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ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Contributions:

Employer	\$ 390,978
Participants	1,333,418
Rollover	41,378

Total contributions	1,765,774

Investment Income:

Net appreciation in fair value of investments:

Common stocks	54,896
Mutual funds	192,647

	247,543

Interest income	23,987

Total additions	2,037,304

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	780,302
Administrative expenses	44,622

Total deductions	824,924

Increase in net assets available for benefits	1,212,380
---	-----------

Net assets available for plan benefits:

Beginning of year	13,022,100

End of year	\$14,234,480
	=====

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN:

The following brief description of the Monroe Muffler Brake, Inc. Profit Sharing Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

GENERAL

Monro Muffler Brake, Inc. (the employer and Plan sponsor) (the "Company") voluntarily contributes funds to provide for retirement, termination, disability and death benefits of plan participants.

On November 18, 1999, the Board of Directors approved amending the Plan to add a 401(k) salary deferral option. Prior to this amendment, participant fund balances consisted solely of employer-contributed Profit Sharing amounts adjusted for related gains/losses. In connection with this amendment, a new trustee (the "Trustee") and custodian were appointed by the Board of Directors. Plan assets are invested in funds designated by each participant. Participant contributions under the 401(k) salary deferral option began in March 2000. The legal effective date of the Plan amendment was March 1, 2000.

PARTICIPATION

Full-time, permanent employees of Monro Muffler Brake, Inc. become participants of the Plan on the first of the month following the completion of 90 days of service. To participate, an employee must be 21 years of age. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

CONTRIBUTIONS

Participants may contribute from 1% to 15% of their annual pre-tax compensation. Participants may also contribute amounts representing rollovers from other qualified plans. Contributions are subject to certain limitations as required under the Internal Revenue Code.

Participants' contributions are matched ("401(k) Matching Contributions") by the Company in an amount determined by the Board of Directors of the Company. The Board has currently decided to match the amount of \$.50 for every dollar contributed, up to 4% of the participant's pre-tax compensation. The Company does not make a matching contribution on employee contributions greater than 4%.

Additionally, the Company may contribute to the Plan an additional amount, either in the form of a "Profit Sharing Contribution", or in the form of an additional match on 401(k) participant contributions, based on the sole discretion of the Board of Directors.

VESTING

Profit Sharing Contributions are allocated by the custodian based on the proportionate share of wages earned by each participant in relation to the total qualified wages for all participants in the Plan.

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MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

Participants are immediately vested in their own salary reduction contributions plus actual earnings thereon. Vesting in the Company 401(k) Matching Contribution portion of their accounts, plus actual earnings thereon, is based on years of service as defined in the Plan. A participant vests 25% at the end of his/her second year of service, and an additional 25% each year thereafter.

Participants become 100% vested in the Company's Profit Sharing Contributions at the end of five years of service with no vesting in prior years.

Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions and to pay administrative expenses of the Plan. Forfeited accounts used to reduce company contributions amounted to approximately \$35,000 and \$67,000 for the years ended March 31, 2002 and 2001, respectively. At March 31, 2002 and 2001, remaining forfeitures available to offset future contributions were approximately \$11,000 and \$8,000, respectively.

INVESTMENT OPTIONS

All investment options are participant-directed. Participants may change their investment options daily.

PARTICIPANT LOANS

Participants may borrow from their 401(k) and profit sharing fund accounts in various amounts as specified by the Plan. Loans must be a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from one to five years, or up to ten years for purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Benefits Committee. Principal and interest are paid ratably through payroll deductions. Loans of approximately \$279,000 and \$205,000 were granted during the years ended March 31, 2002 and 2001, respectively.

ADMINISTRATION

The Monro Muffler Brake, Inc. Benefits Committee is solely responsible for the general administration of the Plan and carrying out the Plan provisions. The Company reserves the right, by action of the Board of Directors, to discontinue contributions and terminate the Plan at any time. In the event of a termination of the Plan, each participant shall immediately become fully vested. The Trustee of the Plan's assets is Investors Bank & Trust Company of Boston. The custodian is Diversified Investment Advisors.

ADMINISTRATIVE EXPENSES

Plan expenses are primarily paid by the Plan.

BENEFIT PAYMENTS

Benefits are recorded when paid.

MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES:

BASIS OF ACCOUNTING

The financial statements of the Plan have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

REVENUE RECOGNITION

Income on plan assets is accrued when earned, and gains or losses on the disposition of such assets are recorded when realized.

VALUATION OF INVESTMENT ASSETS

Plan assets are reported at fair market value measured by quoted prices in an active market as of the Plan year-end date. Mutual fund investments are valued at net asset value representing the value at which shares of the fund may be purchased or redeemed.

The Plan presents, in the Statement of Changes in Net Assets, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments.

USE OF ESTIMATES

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 net assets available for benefits and changes therein. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, such as interest rate and market risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risk in the near term would materially affect participants' account balances and the amount reported in the Statement of Net Assets Available for Plan Benefits and the Statement of Changes in Net Assets Available for Plan Benefits.

NOTE 3 - INVESTMENTS:

The following table presents the fair values of investments held by the Plan's trustees. Investments that represent five per cent or more of the Plan's net assets available for benefits are separately identified.

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MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

	MARCH 31,	
	2002	2001
	-----	-----
COMMON STOCKS	\$ 183,958	\$ 104,713
MUTUAL FUNDS		
Stock Index	941,977	895,352
High Quality Bond	824,453	584,005
Intermediate Horizon SAF *	4,320,716	4,646,799
Intermediate/Long Horizon SAF *	1,496,595	1,743,997
Long Horizon SAF *	1,783,056	1,310,132
Other	4,130,151	3,289,367
	-----	-----
TOTAL MUTUAL FUNDS	13,496,948	12,469,652
	-----	-----
	\$13,680,906	\$12,574,365
	=====	=====

* SAF - Strategic Allocation Fund

NOTE 4 - PARTY-IN-INTEREST TRANSACTIONS:

The Plan held investments in Company securities with a fair value of approximately \$184,000 and \$105,000 as of March 31, 2002 and 2001, respectively.

NOTE 5 - BENEFIT OBLIGATIONS:

Benefit obligations for persons who have withdrawn from participation in the Plan were approximately \$1,797,000 and \$1,632,000 at March 31, 2002 and 2001, respectively.

NOTE 6 - FEDERAL INCOME TAX STATUS:

The Plan administrator has obtained a favorable determination letter from the Internal Revenue Service, which qualifies the Plan under Section 401(a) of the Internal Revenue Code (the "Code"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable

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requirements of the Code. The Plan has applied for a new determination letter prompted by a series of changes in the Code that affect qualified retirement plans.

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MONRO MUFFLER BRAKE, INC.
PROFIT SHARING PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
MARCH 31, 2002

SCHEDULE H
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DIVERSIFIED INVESTMENT ADVISORS

IDENTITY OF ISSUE,
BORROWER, LESSOR
OR SIMILAR PARTY

DESCRIPTION
OF INVESTMENT

CURRENT
VALUE

IDENTITY OF ISSUE, BORROWER, LESSOR OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT	CURRENT VALUE
Diversified Investment Money Market Fund	Mutual Funds	\$ 546,396
Diversified Investment High Quality Bond Fund	Mutual Funds	824,453
Diversified Investment Core Bond Fund	Mutual Funds	293,047
Diversified Investment Stock Index	Mutual Funds	941,977
Diversified Investment Value & Income Fund	Mutual Funds	510,223
Diversified Investment Growth & Income Fund	Mutual Funds	618,968
Diversified Investment Equity Growth Fund	Mutual Funds	509,322
Diversified Investment Special Equity Fund	Mutual Funds	639,407
Diversified Investment International Equity Fund	Mutual Funds	508,319
Diversified Investment Short Horizon SAF *	Mutual Funds	88,093
Diversified Investment Short/Intermediate Horizon SAF *	Mutual Funds	4,320,716
Diversified Investment Intermediate Horizon SAF *	Mutual Funds	1,496,595
Diversified Investment Intermediate/Long Horizon SAF *	Mutual Funds	416,376
Diversified Investment Long Horizon SAF *	Mutual Funds	1,783,056
Diversified Investment Monro Stock Fund **	Mutual Funds	183,958

Total Assets		\$ 13,680,906

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- * SAF - Strategic Allocation Fund
- ** Indicates a party-in-interest to the Plan

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Monro Muffler Brake, Inc., as Administrator, has duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

Monro Muffler Brake, Inc.
AS ADMINISTRATOR OF
Monro Muffler Brake, Inc.
Profit Sharing Plan

DATE: September 27, 2002

By /s/ Catherine D'Amico

Catherine D'Amico
Executive Vice President - Finance and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit

23 Consent of PricewaterhouseCoopers LLP, Independent Accountants, dated
September 26, 2002

99.1 Certification Pursuant to 18 U.S.C. Section 1350