

IRON MOUNTAIN INC
Form 11-K
June 29, 2005

**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**

(Mark One)

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

For the Fiscal year ended December 31, 2004.

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

For the transition period from to .

Commission file number 1-13045

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

THE IRON MOUNTAIN COMPANIES 401(K) PLAN

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

IRON MOUNTAIN INCORPORATED

745 ATLANTIC AVENUE

BOSTON, MASSACHUSETTS 02111

THE IRON MOUNTAIN COMPANIES 401(K) PLAN

Financial Statements as of December 31, 2004 and 2003 and for the Year Ended December 31, 2004, Supplemental Schedule as of December 31, 2004, and Report of Independent Registered Public Accounting Firm

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Plan Administrator and Participants of
The Iron Mountain Companies 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of The Iron Mountain Companies 401(k) Plan (the Plan) as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. 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 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included 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 Plan'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, such financial statements present fairly, in all material respects, the net assets available for benefits at December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

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) as of December 31, 2004 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 schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2004 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Boston, Massachusetts

June 27, 2005

THE IRON MOUNTAIN COMPANIES 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2004 AND 2003

	2004	2003
ASSETS:		
Participant-directed investments:		
Mutual funds	\$ 83,235,835	\$ 62,180,797
Pooled separate accounts	14,644,758	14,206,136
Iron Mountain Stock Fund	255,699	
Brokerage account	67,839	
Participant loans	4,514,620	3,403,458
Total investments	102,718,751	79,790,391
Contributions receivable:		
Employer	1,008,553	741,344
Employee	555,341	109,784
Total contributions receivable	1,563,894	851,128
Total assets	104,282,645	80,641,519
LIABILITIES Excess contributions payable	539,236	489,242
NET ASSETS AVAILABLE FOR BENEFITS	\$ 103,743,409	\$ 80,152,277

See notes to financial statements.

THE IRON MOUNTAIN COMPANIES 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2004

INVESTMENT ACTIVITY:	
Interest and dividend income	\$ 1,402,126
Net appreciation in fair value of investments	7,247,330
Total investment activity	8,649,456
CONTRIBUTIONS:	
Participant	15,185,500
Employer	3,832,416
Participant rollover	3,260,283
Total contributions	22,278,199
DEDUCTIONS:	
Distributions to participants	(7,273,658)
Administrative expenses	(62,865)
Total deductions	(7,336,523)
NET INCREASE	23,591,132
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	80,152,277
End of year	\$ 103,743,409

See notes to financial statements.

THE IRON MOUNTAIN COMPANIES 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2004 AND 2003

1. DESCRIPTION OF THE PLAN

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The following description of The Iron Mountain Companies 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document and the Summary Plan Description for more complete information.

General Information The Plan is a defined contribution plan covering substantially all United States employees of Iron Mountain Incorporated and its affiliated participating companies (collectively, Iron Mountain), as defined in the Plan document. Effective April 1, 2005, new employees age 18 or older are immediately eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Administration of the Plan New York Life Trust Company is the Plan s trustee, custodian, and record keeper (the Trustee). The Plan is administered by the Retirement Plan Committee, which is appointed by the Board of Directors of Iron Mountain Incorporated.

Contributions Participants can contribute an amount up to 25% of compensation, as defined by the Plan, subject to certain limitations under the Internal Revenue Code (the Code). During 2004, Iron Mountain made discretionary matching contributions based on the amount of participant contributions as follows: Iron Mountain matched 50% of a participant s contributions up to the first 3% of his or her compensation, and 25% of a participant s contributions up to the next 2% of his or her compensation, each calendar quarter for participants employed at the end of the quarter. At its discretion, Iron Mountain may change the amount of the matching contribution it will make.

Participant Accounts Individual accounts are maintained for each Plan participant. Each participant s account is credited with the participant s contribution, the Company s matching contribution, and an allocation of Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings/losses or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Investments Participants direct the investment of their contributions and Iron Mountain contributions into various investment options offered by the Plan. The Plan currently offers several mutual funds, a pooled separate account, and effective during 2004, common stock of Iron Mountain, and a self-directed brokerage account, as investment options for participants. Participants can only invest up to 50% of their account balance in the self-directed brokerage account option and only 25% of new contributions into Iron Mountain common stock.

Benefit Vesting Participants are fully vested in their pretax and rollover accounts. A participant s Iron Mountain contribution account becomes fully vested in the event of normal retirement, total and permanent disability, or death while still employed.

Otherwise, vesting in the Iron Mountain contribution account is based on the following schedule:

Years of Vesting Service	Percentage
Less than 1 year	0%
1 year but less than 2 years	20
2 years but less than 3 years	40
3 years but less than 4 years	60
4 years but less than 5 years	80
5 or more	100

Participant Loans A participant may borrow the lesser of \$50,000 (reduced by the highest outstanding loan balance in the previous 12 months) or 50% of his or her vested account balance, with a minimum loan amount of \$500. Loans are repayable through payroll deductions over periods ranging up to five years, or up to 20 years if the purpose of the loan is to purchase a principal residence. The interest rate is based on prevailing market conditions and is fixed over the life of the note. The interest rate on loans outstanding at December 31, 2004 ranged from 5% to 12.5%.

Forfeitures Participants who terminate their employment with Iron Mountain or incur five consecutive breaks in service, as defined, forfeit the nonvested portion of their Iron Mountain contribution account. At December 31, 2004 and 2003, forfeited nonvested accounts totaled approximately \$138,594 and \$156,085, respectively, which will be used to offset future Iron Mountain contributions. During the year ended December 31, 2004, Iron Mountain contributions were reduced by \$156,085 from non-vested forfeited amounts.

Payment of Benefits Upon termination of participation due to death, disability, retirement, or termination of employment, a participant may elect to receive an amount equal to the value of his or her vested account as a lump-sum amount. If termination results for any reason other than retirement or death and the value of a participant's account exceeds \$5,000, the participant may elect to postpone payment of the account until age 70½ years.

Administrative Expenses All expenses incurred in operating the Plan may be paid by Iron Mountain. Fees not paid by Iron Mountain shall be paid by the Plan in accordance with the Plan document.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. The Plan invests in various mutual funds, pooled separate accounts, and common stock. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. 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 financial statements.

Investment Valuation and Income Recognition The Plan's investments are stated at fair value, except for benefit responsive investment contracts, which are valued