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GORMAN RUPP CO
Form 11-K
June 25, 2004

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

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

For the fiscal year ended December 31, 2003

OR

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

For the transition period from _____ to _____

Commission file number: 1-6747

THE GORMAN-RUPP COMPANY 401(k) PLAN

(Full title of the plan)

The Gorman Rupp Company 305 Bowman Street Mansfield, Ohio 44903

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

The Exhibit Index is located at Page 17.
Page 1 of 18 Pages

REQUIRED INFORMATION

Audited plan financial statements and schedules prepared in accordance with the
financial reporting requirements of the Employee Retirement Income Security Act
of 1974, as amended, are filed herewith in lieu of the requirements of audited
statements of financial condition and audited statements of income and changes
in plan equity.

Financial Statements and Exhibits

A) The following financial statements and schedules (including the report of
Ernst & Young LLP) are filed as part of this annual report:

- 1) Statements of Net Assets Available for Benefits - December 31, 2003
and 2002
- 2) Statement of Changes in Net Assets Available for Benefits - Year

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ended December 31, 2003

- 3) Schedule of Assets (Held at End of Year)
- 4) Schedule of Reportable Transactions

B) The following exhibit is filed as part of this annual report:

- (23) Consent of Independent Registered Public Accounting Firm

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

The Gorman-Rupp Company 401(k) Plan
December 31, 2003 and 2002 and Year ended December 31, 2003 with Report of Independent Registered Public Accounting Firm

The Gorman-Rupp Company 401(k) Plan

Audited Financial Statements
and Supplemental Schedules

December 31, 2003 and 2002 and
Year ended December 31, 2003

CONTENTS

Report of Independent Registered Public Accounting Firm.....

Financial Statements

Statements of Net Assets Available for Benefits.....

Statement of Changes in Net Assets Available for Benefits.....

Notes to Financial Statements.....

Supplemental Schedules

Schedule H, Line 4i -- Schedule of Assets (Held at End of Year).....

Schedule H, Line 4j -- Schedule of Reportable Transactions.....

Report of Independent Registered Public Accounting Firm

Plan Administrator
The Gorman - Rupp Company 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of The Gorman-Rupp Company 401(k) Plan as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. 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.

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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 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 at December 31, 2003 and 2002, and the changes in its net assets available for benefits for the year ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2003, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the 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 our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

June 4, 2004
Cleveland, Ohio

1

The Gorman-Rupp Company 401(k) Plan

Statements of Net Assets Available for Benefits

	DECEMBER 31	
	2003	2002
ASSETS		
Investments, at fair value	22,020,711	\$ 17,991,563
Receivables:		
Employer contribution	42,415	42,203
Participants contribution	193,806	193,418
Accrued interest	18,331	8,667
	254,552	244,288
Total receivables		
	22,275,263	\$ 18,235,851
Net assets available for benefits	22,275,263	\$ 18,235,851

See accompanying notes to financial statements.

The Gorman-Rupp Company 401(k) Plan
 Statement of Changes in Net Assets Available for Benefits
 Year ended December 31, 2003

ADDITIONS	
Investment income:	
Net appreciation in fair value of investments	\$ 2,870,930
Interest and dividends	386,298

	3,257,228
Contributions:	
Participants	1,735,785
Employer	380,646
Rollovers	49,608

	2,166,039
Total additions	5,423,267

DEDUCTIONS	
Benefits paid to participants	1,383,855

Net increase	4,039,412
Net assets available for benefits:	
Beginning of year	18,235,851

End of year	\$ 22,275,263
	=====

See accompanying notes to financial statements.

The Gorman-Rupp Company 401(k) Plan

Notes to Financial Statements

December 31, 2003 and 2002 and
 Year ended December 31, 2003

1. DESCRIPTION OF THE PLAN

The following description of The Gorman - Rupp Company 401(k) Plan (Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

GENERAL

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The Plan is a defined contribution plan covering substantially all employees of the Corporate, Mansfield, Industries, and Ramparts Divisions of The Gorman - Rupp Company (Company and Plan Administrator) and Patterson Pump Company, a subsidiary of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

CONTRIBUTIONS

Each year, participants may contribute up to 15% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Effective August 1, 2000, the Company contributes 40% of the first 4% of compensation that a participant contributes to the Plan.

Upon enrollment, a participant may direct employee contributions in whole increments to any of the investment fund options offered by the Plan. Effective August 1, 2000, employer contributions are restricted to the Gorman-Rupp Company Common Stock Fund. Participants may change their investment options daily.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

4

The Gorman-Rupp Company 401(k) Plan

Notes to Financial Statements (continued)

1. DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

Participants are immediately vested in their contributions plus actual earnings thereon. Participants are also fully vested in the Company contribution portion of their accounts plus actual earnings thereon.

PARTICIPANT LOANS

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from 1-5 years or up to 20 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the prime rate, as quoted in the Wall Street Journal. Principal and interest is paid ratably through payroll deductions.

PAYMENT OF BENEFITS

Upon retirement, death, or termination of employment, a participant will receive a lump-sum amount equal to the vested value of his or her account.

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

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Plan subject to the provisions of ERISA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting.

5

The Gorman-Rupp Company 401(k) Plan

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value. The shares of registered investment companies are valued at quoted market prices which represent the net asset values of shares held by the Plan at year-end. The Company stock is valued at its quoted market price as of the last business day of the Plan's year. The participant loans are valued at their outstanding balances, which approximate 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 ex-dividend date.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. INVESTMENTS

During 2003, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value as determined by quoted market prices as follows:

	NET APPRECIATION IN FAIR VALUE OF INVESTMENTS

Common stock	\$ 90
Shares of registered investment companies	1,96

	\$ 2,87
	=====

6

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The Gorman-Rupp Company 401(k) Plan

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

Investments that represent 5% or more of the Plan's net assets are as follows:

	2003	2002
The Gorman-Rupp Company Common Stock *	\$ 8,110,925	\$ 6,843,618
American Century Income and Growth Fund	2,970,697	2,266,602
Armada U.S. Government Income Fund		1,044,816
Armada Money Market Fund	3,133,531	3,202,502
AIM Balanced Fund	1,518,703	1,305,728

* Nonparticipant-directed

4. NONPARTICIPANT-DIRECTED INVESTMENTS

The Gorman-Rupp Company Common Stock Fund contains participant account balances that are both participant-directed and nonparticipant-directed. Because the fund contains balances that are nonparticipant-directed, the entire fund is considered nonparticipant-directed for disclosure purposes.

Information about the net assets and the significant components of changes in net assets related to nonparticipant-directed investments is as follows:

	DECEMBER 31	
	2003	2002
Net assets:		
Investments, at fair value:		
The Gorman-Rupp Company Common Stock	\$ 8,110,925	\$ 6,843,618
Contributions receivable	77,354	78,688
	\$ 8,188,279	\$ 6,922,306
	=====	=====

7

The Gorman-Rupp Company 401(k) Plan

Notes to Financial Statements (continued)

4. NONPARTICIPANT-DIRECTED INVESTMENTS (CONTINUED)

YEAR ENDED
DECEMBER 31,

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	2003

Changes in net assets:	
Contributions:	
Participants	\$ 325,613
Employer	375,128

	700,741
The Gorman-Rupp Company Common Stock dividends	205,379
Net appreciation in fair value of common stock	902,148
Net transfers to participant directed funds	(223,996)
Distributions to participants	(318,299)

	\$ 1,265,973
	=====

5. ADMINISTRATIVE COSTS

Fees for legal, accounting and other services rendered to the Plan are paid by the Company.

6. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

8

The Gorman-Rupp Company 401(k) Plan

Notes to Financial Statements (continued)

7. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated May 14, 2004, stating that the Plan is qualified under section 401(a) of the Internal Revenue Code (Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

9

The Gorman-Rupp Company 401(k) Plan

EIN: 34-0253990

Plan Number: 005

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Schedule H, Line 4i--Schedule of Assets
(Held at End of Year)

December 31, 2003

IDENTITY OF ISSUER, BORROWER, LESSOR OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, PAR OR MATURITY VALUE	COST*	CURRENT VALUE
The Gorman-Rupp Company Common Stock*	307,232 shares	\$ 4,145,914	\$ 8,110,
Armada S&P 500 Index Fund*	51,492 shares		492,
Armada Money Market Fund*	3,133,531 shares		3,133,
Armada Small Cap Value Fund*	38,116 shares		826,
Armada Government Mortgage Institutional Fund*	103,876 shares		979,
American Century Income and Growth Fund	107,323 shares		2,970,
Gabelli Value Fund	22,130 shares		397,
Janus Fund	16,391 shares		384,
Janus World Wide Fund	6,590 shares		260,
AIM Balanced Fund	63,464 shares		1,518,
White Oak Growth Stock Fund	26,657 shares		938,
Franklin Small-Mid Cap Growth Fund	29,671 shares		896,
Putnam New Opportunities Fund	9,528 shares		359,
Barclays Global Fund Lifepath 2000	4,336 shares		47,
Barclays Global Fund Lifepath 2010	6,871 shares		84,
Barclays Global Fund Lifepath 2020	4,975 shares		70,
Barclays Global Fund Lifepath 2030	5,400 shares		76,
Barclays Global Fund Lifepath 2040	798 shares		12,
Lasalle Income Advantage Fund	92,251 shares		92,
Loan Fund*	At interest rates ranging from 4% to 9.5%		367,
			----- \$ 22,020, =====

* Indicates party-in-interest to the Plan.

** Cost is presented for nonparticipant-directed investments only.

The Gorman-Rupp Company 401(k) Plan

EIN: 34-0253990

Plan Number: 005

Schedule H, Line 4j--Schedule of Reportable Transactions

Year ended December 31, 2003

IDENTITY OF

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PARTY INVOLVED	DESCRIPTION OF ASSET	PURCHASE PRICE	SELLING PRICE	COST OF ASSET
CATEGORY (iii) -- SERIES OF TRANSACTIONS IN EXCESS OF 5 PERCENT OF PLAN ASSETS				
The Gorman-Rupp Company	Common Stock	\$ 995,465	\$ 635,727	\$ 995,465 \$ 482,349

There were no category (i), (ii) or (iv) reportable transactions during the year ended December 31, 2003.

11

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE GORMAN-RUPP COMPANY 401(k) PLAN

BY: The Gorman-Rupp Company,
as Plan administrator

Date: June 23, 2004

BY: /s/JEFFREY S. GORMAN

Jeffrey S. Gorman,
Committee Member

Date: June 23, 2004

BY: /s/ROBERT E. KIRKENDALL

Robert E. Kirkendall,
Committee Member

Date: June 23, 2004

BY: /s/JUDITH L. SOVINE

Judith L. Sovine,
Committee Member

Date: June 23, 2004

BY: /s/DAVID P. EMMENS

David P. Emmens,
Committee Member

16

EXHIBIT INDEX

Exhibit Number	Description	Pagination by Sequential Numbering System
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