

ARTS WAY MANUFACTURING CO INC  
Form 10-Q  
June 30, 2015  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended May 31, 2015  
or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of  
1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 0-5131

ART'S-WAY MANUFACTURING CO., INC.

(Exact name of registrant as specified in its charter)

DELAWARE

42-0920725

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

5556 Highway 9

Armstrong, Iowa 50514

(Address of principal executive offices)

(712) 864-3131

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.:

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of common shares outstanding as of June 17, 2015: 4,061,052

**Art's-Way Manufacturing Co., Inc.**

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**PART I – FINANCIAL INFORMATION****Item 1. Financial Statements****ART’S-WAY MANUFACTURING CO., INC.**

## Condensed Consolidated Balance Sheets

	(Unaudited)	
	<b>May 31, 2015</b>	<b>November 30, 2014</b>
<b>Assets</b>		
Current assets:		
Cash	\$601,724	\$511,716
Accounts receivable-customers, net of allowance for doubtful accounts of \$38,415 and \$35,175 in 2015 and 2014, respectively	2,931,858	2,961,834
Inventories, net	15,971,257	15,089,280
Deferred taxes	1,312,855	1,259,943
Cost and Profit in Excess of Billings	85,819	17,543
Income taxes receivable	-	100,417
Other current assets	449,434	125,228
Total current assets	21,352,947	20,065,961
Property, plant, and equipment, net	11,371,871	11,680,792
Assets held for lease, net	26,591	58,500
Goodwill	993,729	993,729
Other Assets	42,890	47,360
Total assets	\$33,788,028	\$32,846,342
<b>Liabilities and Stockholders’ Equity</b>		
Current liabilities:		
Line of credit	\$3,318,878	\$2,569,106
Current portion of term debt	1,302,741	1,283,897
Accounts payable	938,959	874,653
Customer deposits	702,686	95,411
Billings in Excess of Cost and Profit	127,296	96,382
Accrued expenses	1,495,657	1,584,328
Income taxes payable	10,150	-
Total current liabilities	7,896,367	6,503,777
Long-term liabilities		
Deferred taxes	1,121,580	1,141,580
Long Term debt, excluding current portion	5,292,554	5,949,329
Total liabilities	14,310,501	13,594,686

Commitments and Contingencies (Notes 6 and 7)

Stockholders' equity:

Undesignated preferred stock - \$0.01 par value. Authorized 500,000 shares in 2015 and 2014; issued and outstanding 0 shares in 2015 and 2014.	-	-
Common stock – \$0.01 par value. Authorized 9,500,000 shares in 2015 and 2014; issued and outstanding 4,061,052 in 2015 and 4,048,552 in 2014	40,610	40,486
Additional paid-in capital	2,667,010	2,638,651
Retained earnings	16,769,907	16,572,519
Total stockholders' equity	19,477,527	19,251,656
Total liabilities and stockholders' equity	\$33,788,028	\$32,846,342

See accompanying notes to condensed consolidated financial statements.

**ART'S-WAY MANUFACTURING CO., INC.**

## Condensed Consolidated Statements of Operations

(Unaudited)

	Three Months Ended		Six Months Ended	
	<b>May 31,</b>	<b>May 31,</b>	<b>May 31,</b>	<b>May 31,</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Sales	\$7,804,111	\$9,468,996	\$15,093,239	\$15,706,331
Cost of goods sold	5,596,379	7,141,227	10,833,376	12,038,146
Gross profit	2,207,732	2,327,769	4,259,863	3,668,185
Expenses:				
Engineering	119,540	118,361	235,216	231,899
Selling	581,211			