

SKYLINE CORP
Form 10-Q
April 03, 2015
Table of Contents

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 February 28, 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 number: 1-4714

SKYLINE CORPORATION
(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of
incorporation or organization)

35-1038277
(I.R.S. Employer
Identification No.)

P. O. Box 743, 2520 By-Pass Road

Elkhart, Indiana
(Address of principal executive offices)

46515
(Zip Code)

Registrant's telephone number, including area code:

(574) 294-6521

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

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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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

	Shares Outstanding
Title of Class	April 3, 2015
Common Stock	8,391,244

Table of Contents

FORM 10-Q

INDEX

	Page No.
<u>PART I FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	
<u>Consolidated Balance Sheets as of February 28, 2015 and May 31, 2014</u>	1
<u>Consolidated Statements of Operations and Retained Earnings for the three-month and nine-month periods ended February 28, 2015 and 2014</u>	3
<u>Consolidated Statements of Cash Flows for the nine-month periods ended February 28, 2015 and 2014</u>	4
<u>Notes to the Consolidated Financial Statements</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	33
Item 4. <u>Controls and Procedures</u>	33
<u>PART II OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	34
Item 1A. <u>Risk Factors</u>	34
Item 6. <u>Exhibits</u>	34
<u>Signatures</u>	35

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****Skyline Corporation and Subsidiary Companies****Consolidated Balance Sheets****(Dollars in thousands)**

	February 28, 2015	May 31, 2014
	(Unaudited)	
ASSETS		
Current Assets:		
Cash	\$ 4,933	\$ 6,031
Accounts receivable	13,089	16,259
Note receivable, current		50
Inventories	9,307	8,627
Workers compensation security deposit	2,137	2,688
Other current assets	753	542
Assets of discontinued operations	492	7,473
Total Current Assets	30,711	41,670
Note Receivable, non-current		1,581
Property, Plant and Equipment, at Cost:		
Land	3,586	3,586
Buildings and improvements	39,720	39,254
Machinery and equipment	16,976	17,238
	60,282	60,078
Less accumulated depreciation	47,019	46,036
	13,263	14,042
Assets of discontinued operations, net of accumulated depreciation		1,911
	13,263	15,953
Other Assets	6,892	6,550
Total Assets	\$ 50,866	\$ 65,754

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

Table of Contents**Item 1. Financial Statements (Continued).****Skyline Corporation and Subsidiary Companies****Consolidated Balance Sheets (Continued)****(Dollars in thousands, except share and per share amounts)**

	February 28, 2015	May 31, 2014
	(Unaudited)	
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities:		
Accounts payable, trade	\$ 1,640	\$ 3,050
Accrued salaries and wages	1,594	2,255
Accrued marketing programs	3,606	2,526
Accrued warranty and related expenses	3,722	3,697
Other accrued liabilities	2,888	3,695
Liabilities of discontinued operations	338	3,024
Total Current Liabilities	13,788	18,247
Long-Term Liabilities:		
Other deferred liabilities	7,171	7,386
Life insurance loans	6,334	6,334
Total Long-Term Liabilities	13,505	13,720
Commitments and Contingencies See Note 9		
Shareholders Equity:		
Common stock, \$.0277 par value, 15,000,000 shares authorized; issued 11,217,144 shares	312	312
Additional paid-in capital	4,928	4,928
Retained earnings	84,077	94,291
Treasury stock, at cost, 2,825,900 shares	(65,744)	(65,744)
Total Shareholders Equity	23,573	33,787
Total Liabilities and Shareholders Equity	\$ 50,866	\$ 65,754

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

Table of Contents**Item 1. *Financial Statements (Continued).*****Skyline Corporation and Subsidiary Companies****Consolidated Statements of Operations and Retained Earnings****For the Three-Month and Nine-Month Periods Ended February 28, 2015 and 2014****(Dollars in thousands, except share and per share amounts)**

	Three-Months Ended		Nine-Months Ended	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
OPERATIONS:				
Net sales	\$ 38,109	\$ 30,169	\$ 137,380	\$ 107,040
Cost of sales	35,771	29,390	125,843	98,851
Gross profit				