SKYLINE CORP Form 10-Q April 05, 2013 Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2013

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)

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

Elkhart, Indiana 46515 (Address of principal executive offices) (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. x 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). x 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

 Large accelerated filer
 ...

 Non-accelerated filer
 ...

 Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
 ...

 Yes
 x

 No
 ...

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

Title of Class Common Stock Shares Outstanding April 5, 2013 8,391,244

35-1038277 (I.R.S. Employer

Identification No.)

FORM 10-Q

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

Skyline Corporation and Subsidiary Companies

Consolidated Balance Sheets

(Dollars in thousands)

		ary 28, 2013 audited)	May 31, 2012		
ASSETS					
Current Assets:					
Cash	\$	9,658	\$	12,011	
Restricted cash		600			
U.S. Treasury Bills, at cost plus accrued interest		6,000		16,998	
Accounts receivable		13,714		11,199	
Note receivable, current		46			
Inventories		10,340		8,359	
Other current assets		3,183		2,903	
Total Current Assets		43,541		51,470	
Note Receivable, non-current		1,643			
Property, Plant and Equipment, at Cost:					
Land		3,918		3,918	
Buildings and improvements		40,959		40,891	
Machinery and equipment		17,952		18,122	
		62,829		62,931	
Less accumulated depreciation		47,007		45,856	
		15,822		17,075	
Idle property, net of accumulated depreciation		3,217		4,121	
I I J, J, I I I I I I I I I I I I I I I				,	
Net Property, Plant and Equipment		19,039		21,196	
Tot Property, Plant and Equipment		19,009		21,190	
Other Assets		6,165		6,190	
		-,			
Total Assets	\$	70,388	\$	78,856	
	Ψ	. 0,000	+	. 0,020	

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

Item 1. Financial Statements (Continued).

Skyline Corporation and Subsidiary Companies

Consolidated Balance Sheets (Continued)

(Dollars in thousands, except share and per share amounts)

	uary 28, 2013 naudited)	May 31, 2012		
LIABILITIES AND SHAREHOLDERS EQUITY				
Current Liabilities:				
Accounts payable, trade	\$ 3,560	\$	3,296	
Accrued salaries and wages	2,880		2,990	
Accrued marketing programs	3,822		2,215	
Accrued warranty and related expenses	4,383		3,870	
Accrued workers compensation	412		435	
Other accrued liabilities	1,747		1,875	
Total Current Liabilities	16,804		14,681	
Other Deferred Liabilities	7,978		8,011	
Commitments and Contingencies See Note 8				
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	106,110		116,668	
Treasury stock, at cost, 2,825,900 shares	(65,744)		(65,744)	
Total Shareholders Equity	45,606		56,164	
Total Liabilities and Shareholders Equity	\$ 70,388	\$	78,856	
			-	

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

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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, 2013 and

February 29, 2012 (Unaudited)

(Dollars in thousands, except share and per share amounts)

	Three-Months Ended February			Nine-Months Ended February				
		28, 2013	Fel	oruary 29, 2012		28, 2013	February 29, 2012	
OPERATIONS								
Net sales	\$	36,986	\$	36,805	\$	128,742	\$	132,385
Cost of sales		36,515		37,497		122,538		130,768
Gross profit (loss)		471		(692)		6,204		1,617
Selling and administrative expenses		5,861		6,698		18,210		21,785
Gain on sale of idle property, plant and equipment						1,411		2,500
Operating loss		(5,390)		(7,390)		(10,595)		(17,668)
Interest income		25		3		37		14
Loss before income taxes		(5,365)		(7,387)		(10,558)		(17,654)
Benefit from income taxes		, í í						, í í
Net loss	\$	(5,365)	\$	(7,387)	\$	(10,558)	\$	(17,654)
Basic loss per share	\$	(.64)	\$	(.88)	\$	(1.26)	\$	(2.10)
	Ŷ	(.0.1)	Ψ	(.00)	Ψ	(1120)	Ŷ	(2.1.0)
Cash dividends per share	\$		\$		\$		\$.18
Cash dividends per share	Ψ		Ψ		Ψ		Ψ	.10
Weighted average number of common charge outstanding	0	,391,244		8,391,244		8,391,244		8,391,244
Weighted average number of common shares outstanding	0	,591,244		8,391,244		5,591,244		8,391,244
DETAINED E A DNINGG								
RETAINED EARNINGS	\$	111 475	\$	105 765	\$	116.668	\$	127 542
Balance at beginning of period	Э	111,475 (5,365)	\$	125,765 (7,387)	\$	(10,558)	\$	137,543 (17,654)
Net loss Cash dividends paid		(3,303)		(7,307)		(10,558)		,
Cash urviuchus palu								(1,511)
	¢	106 110	¢	110.270	¢	10(110	¢	110.270
Balance at end of period	\$	106,110	\$	118,378	\$	106,110	\$	118,378

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

Item 1. Financial Statements (Continued).

Skyline Corporation and Subsidiary Companies

Consolidated Statements of Cash Flows

For the Nine-Month Periods Ended February 28, 2013 and February 29, 2012 (Unaudited)

(Dollars in thousands)

	February 28, 2013		February 29, 2012	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	\$	(10,558)	\$	(17,654)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		1,523		1,779
Gain on sale of idle property, plant and equipment		(1,411)		(2,500)
Change in assets and liabilities:				
Restricted cash		(600)		
Accrued interest receivable		4		3
Accounts receivable		(2,515)		(239)
Inventories		(1,981)		(450)
Other current assets		(280)		849
Accounts payable, trade		264		(299)
Accrued liabilities		1,859		2,287
Other, net		(71)		212
Net cash used in operating activities		(13,766)		(16,012)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from principal payments of U.S. Treasury Bills		48,987		53,983
Purchase of U.S. Treasury Bills		(37,993)		(45,989)
Proceeds from sale of idle property, plant and equipment		348		4,071
Proceeds from note receivable		11		