Zumiez Inc
Form 10-Q
September 08, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JULY 30, 2016

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000-51300

ZUMIEZ INC.

(Exact name of registrant as specified in its charter)

Washington	**91-1040022**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4001 204th Street SW, Lynnwood, WA 98036

(Address of principal executive offices) (Zip Code)

Registrant s telephone number, including area code: (425) 551-1500

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 x 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 x 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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	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 Exchange Act). ¨ Yes x No

At August 31, 2016, there were 24,830,885 shares outstanding of common stock.

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ZUMIEZ INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	July 30, 2016 (Unaudited)	January 30, 2016
Assets		
Current assets		
Cash and cash equivalents	$ 19,600	$ 43,163
Marketable securities	32,740	32,391
Receivables	14,576	12,840
Inventories	131,823	98,299
Prepaid expenses and other current assets	13,990	12,204
Total current assets	212,729	198,897
Fixed assets, net	136,505	137,233
Goodwill	55,082	54,245
Intangible assets, net	12,005	11,766
Deferred tax assets, net	8,332	4,634
Other long-term assets	7,908	7,920
Total long-term assets	219,832	215,798
Total assets	$ 432,561	$ 414,695
Liabilities and Shareholders Equity		
Current liabilities		
Trade accounts payable	$ 60,044	$ 21,919
Accrued payroll and payroll taxes	12,754	12,466
Income taxes payable	507	4,066
Deferred rent and tenant allowances	8,384	8,116
Other liabilities	22,089	22,575
Total current liabilities	103,778	69,142
Long-term deferred rent and tenant allowances	43,721	43,779
Other long-term liabilities	4,815	4,817
Total long-term liabilities	48,536	48,596
Total liabilities	152,314	117,738
Commitments and contingencies (Note 3)		
Shareholders equity		

Preferred stock, no par value, 20,000 shares authorized; none issued and outstanding				
Common stock, no par value, 50,000 shares authorized; 24,931 shares issued and outstanding at July 30, 2016 and 25,708 shares issued and outstanding at January 30, 2016		137,102		135,013
Accumulated other comprehensive loss		(12,802)		(15,247)
Retained earnings		155,947		177,191
Total shareholders equity		280,247		296,957
Total liabilities and shareholders equity	$	432,561	$	414,695

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.

CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	July 30, 2016	**August 1, 2015**	**July 30, 2016**	**August 1, 2015**
Net sales	$ 178,272	$ 179,819	$ 351,243	$ 357,429
Cost of goods sold	123,428	122,046	246,440	243,121
Gross profit	54,844	57,773	104,803	114,308
Selling, general and administrative expenses	55,980	52,461	109,879	104,870
Operating (loss) profit	(1,136)	5,312	(5,076)	9,438
Interest income, net	28	150	59	355
Other (expense) income, net	(256)	(271)	242	(156)
(Loss) earnings before income taxes	(1,364)	5,191	(4,775)	9,637
(Benefit) provision for income taxes	(526)	1,978	(1,800)	3,654
Net (loss) income	$ (838)	$ 3,213	$ (2,975)	$ 5,983
Basic (loss) earnings per share	$ (0.03)	$ 0.11	$ (0.12)	$ 0.21
Diluted (loss) earnings per share	$ (0.03)	$ 0.11	$ (0.12)	$ 0.21
Weighted average shares used in computation of (loss) earnings per share:				
Basic	24,712	28,311	24,957	28,726
Diluted	24,712	28,439	24,957	28,932

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
	July 30, 2016	August 1, 2015	July 30, 2016	August 1, 2015
Net (loss) income	$ (838)	$ 3,213	$ (2,975)	$ 5,983
Other comprehensive (loss) income, net of tax and reclassification adjustments:				
Foreign currency translation	(2,664)	(2,207)	2,329	(2,675)
Net change in unrealized gain/loss on available-for-sale securities	122	(28)	116	(49)
Other comprehensive (loss) income, net	(2,542)	(2,235)	2,445	(2,724)
Comprehensive (loss) income	**$ (3,380)**	**$ 978**	**$ (530)**	**$ 3,259**

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

(In thousands)

(Unaudited)

	Common Stock Shares	Common Stock Amount	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at January 30, 2016	25,708	$ 135,013	$ (15,247)	$ 177,191	$ 296,957
Net loss				(2,975)	(2,975)
Other comprehensive income, net			2,445		2,445
Issuance and exercise of stock-based awards, including net tax loss of $529	282	(132)			(132)
Stock-based compensation expense		2,221			2,221
Repurchase of common stock	(1,059)			(18,269)	(18,269)
Balance at July 30, 2016	24,931	$ 137,102	$ (12,802)	$ 155,947	$ 280,247

	Common Stock Shares	Common Stock Amount	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at January 31, 2015	29,418	$ 129,094	$ (11,278)	$ 241,708	$ 359,524
Net income				5,983	5,983
Other comprehensive loss, net			(2,724)		(2,724)
Issuance and exercise of stock-based awards, including net tax benefit of $713	225	575			575
Stock-based compensation expense		2,710			2,710
Repurchase of common stock	(2,266)			(60,950)	(60,950)
Balance at August 1, 2015	27,377	$ 132,379	$ (14,002)	$ 186,741	$ 305,118

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended	
	July 30, 2016	**August 1, 2015**
Cash flows from operating activities:		
Net (loss) income	$ (2,975)	$ 5,983
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation, amortization and accretion	14,336	15,644
Deferred taxes	(3,713)	(2,703)
Stock-based compensation expense	2,221	2,710
Excess tax benefit from stock-based compensation		(713)
Other	95	626
Changes in operating assets and liabilities:		
Receivables	(842)	(3,377)
Inventories	(32,766)	(28,990)
Prepaid expenses and other current assets	(2,690)	(1,306)
Trade accounts payable	38,181	15,684
Accrued payroll and payroll taxes	225	(1,613)
Income taxes payable	(4,804)	(2,996)
Deferred rent and tenant allowances	(12)	2,976
Other liabilities	(813)	(948)
Net cash provided by operating activities	6,443	977
Cash flows from investing activities:		
Additions to fixed assets	(11,895)	(20,021)
Purchases of marketable securities and other investments	(28,353)	(38,238)
Sales and maturities of marketable securities and other investments	28,658	112,093
Net cash (used in) provided by investing activities	(11,590)	53,834
Cash flows from financing activities:		
Proceeds from revolving credit facilities		20,223
Payments on revolving credit facilities		(15,617)
Repurchase of common stock	(19,084)	(58,969)
Proceeds from exercise of stock-based awards, net of withholding tax	397	379
Excess tax benefit from stock-based compensation		713
Net cash used in financing activities	(18,687)	(53,271)

Effect of exchange rate changes on cash and cash equivalents	271	(236)
Net (decrease) increase in cash and cash equivalents	(23,563)	1,304
Cash and cash equivalents, beginning of period	43,163	20,862
Cash and cash equivalents, end of period	$ 19,600	$ 22,166
Supplemental disclosure on cash flow information:		
Cash paid during the period for income taxes	$ 6,736	$ 14,581
Accrual for purchases of fixed assets	1,835	3,107
Accrual for repurchase of common stock	254	1,981

See accompanying notes to condensed consolidated financial statements

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ZUMIEZ INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Nature of Business and Basis of Presentation

Nature of Business Zumiez Inc., including its wholly owned subsidiaries, (the Company, we, us, its and our) is leading specialty retailer of apparel, footwear, accessories and hardgoods for young men and women who want to express their individuality through the fashion, music, art and culture of action sports, streetwear, and other unique lifestyles. At July 30, 2016, we operated 673 stores; 604 in the United States (U.S.), 44 in Canada and 25 in Europe. We operate under the names Zumiez and Blue Tomato. Additionally, we operate ecommerce websites at www.zumiez.com and www.blue-tomato.com.

Fiscal Year We use a fiscal calendar widely used by the retail industry that results in a fiscal year consisting of a 52- or 53-week period ending on the Saturday closest to January 31. Each fiscal year consists of four 13-week quarters, with an extra week added to the fourth quarter every five or six years. The three months ended July 30, 2016 and August 1, 2015 were 13-week periods. The six months ended July 30, 2016 and August 1, 2015 were 26-week periods.

Basis of Presentation The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for interim financial reporting. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited condensed consolidated financial statements include the accounts of Zumiez Inc. and its wholly-owned subsidiaries. All significant intercompany transactions and balances are eliminated in consolidation.

In our opinion, the unaudited condensed consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the condensed consolidated balance sheets, operating results and cash flows for the periods presented.

The financial data at January 30, 2016 is derived from audited consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended January 30, 2016, and should be read in conjunction with the audited consolidated financial statements and notes thereto. Interim results are not necessarily indicative of results for the full fiscal year due to seasonality and other factors.

Use of Estimates The preparation of financial statements in conformity with U.S. GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements as well as the reported amounts of revenues and expenses during the reporting period. These estimates can also affect supplemental information disclosed by us, including information about contingencies, risk and financial condition. Actual results could differ from these estimates and assumptions.

Segment Reporting We identify our operating segments according to how our business activities are managed and evaluated. Our operating segments have been aggregated and are reported as one reportable segment based on the similar nature of products sold, production, merchandising and distribution processes involved, target customers and economic characteristics.

Recent Accounting Standards In March 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) as part of its simplification initiative that includes multiple provisions intended to simplify various aspects of the accounting for share-based payments. Upon the adoption of the ASU, excess tax benefits and deficiencies for share-based payments are recorded as an adjustment of income taxes and reflected in operating cash flows rather than recorded in equity and reported in financing cash flows. The guidance allows for the employer to withhold up to the maximum statutory tax rates in the applicable jurisdictions without triggering liability accounting. The guidance also allows for a policy election to account for forfeitures as they occur rather than on an estimated basis. The new standard is effective for the fiscal year beginning after December 15, 2016, with early adoption permitted. We are evaluating the impact of this standard on our condensed consolidated financial statements.

In February 2016, the FASB issued a comprehensive standard related to lease accounting to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Most significantly, the new guidance requires lessees to recognize operating leases with a term of more than 12 months as lease assets and lease liabilities. The adoption will require a modified retrospective

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approach at the beginning of the earliest period presented. The new standard is effective for the fiscal year beginning after December 15, 2018, with early adoption permitted. We are evaluating the impact of this standard on our condensed consolidated financial statements.

In January 2016, the FASB issued a new standard related primarily to accounting for equity investments, financial liabilities where the fair value option has been elected, and the presentation and disclosure requirements for financial instruments. There will no longer be an available-for-sale classification and therefore, no changes in fair value will be reported in other comprehensive income for equity securities with readily determinable fair values. The new standard will be effective for the fiscal year beginning after December 15, 2017 and early adoption is permitted. We are currently evaluating the impact of this standard on our condensed consolidated financial statements.

In July 2015, the FASB issued guidance simplifying the measurement of inventory. This standard requires entities that use inventory methods other than the last-in, first-out (LIFO) or retail inventory method to measure inventory at the lower of cost or net realizable value, which is defined as the estimated selling prices in the normal course of business, less reasonably predictable costs of completion, disposal, and transportation. We are required to adopt this guidance for the fiscal year beginning after December 31, 2016. We are currently evaluating the impact of this standard on our condensed consolidated financial statements.

In April 2015, the FASB issued guidance about a customer s accounting for fees paid in a cloud computing arrangement. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance is effective for the fiscal year beginning after December 15, 2015 and may be applied on either a prospective or retrospective basis. We adopted this guidance beginning in the first quarter ending July 30, 2016 and the adoption did not have a material impact on our condensed consolidated financial statements.

In May 2014, the FASB issued a comprehensive new revenue recognition standard. The new standard allows for a full retrospective approach to transition or a modified retrospective approach. This guidance was effective for fiscal years and interim periods within those years beginning after December 15, 2016. In August 2015, the FASB issued updated guidance deferring the effective date for the fiscal year beginning after December 15, 2017 and will permit early adoption of the standard, but not before the original effective date of December 15, 2016. We are currently evaluating the method of adoption we plan to use and the effect the standard is expected to have on our condensed consolidated financial statements.

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2. Cash, Cash Equivalents and Marketable Securities

The following tables summarize the estimated fair value of our cash, cash equivalents and marketable securities and the gross unrealized holding gains and losses (in thousands):

	July 30, 2016			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Cash and cash equivalents:				
Cash	$ 18,947	$	$	$ 18,947
Money market funds	653			653
Total cash and cash equivalents	19,600			19,600
Marketable securities:				
State and local government securities	31,087	21	(13)	31,095
Variable-rate demand notes	1,645			1,645
Total marketable securities	$ 32,732	$ 21	$ (13)	$ 32,740

	January 30, 2016			
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Cash and cash equivalents:				
Cash	$ 33,608	$	$	$ 33,608
Money market funds	9,555			9,555
Total cash and cash equivalents	43,163			43,163
Marketable securities:				
State and local government securities	32,754	8	(187)	32,575
Variable-rate demand notes	644			644
Total marketable securities	$ 33,398	$ 8	$ (187)	$ 33,219
Less: Long-term marketable securities (1)				(828)
Total current marketable securities				$ 32,391

(1) At January 30, 2016, we held one auction rate security, classified as available-for-sale marketable securities and included in other long-term assets on the condensed consolidated balance sheet.

All of our available-for-sale securities have an effective maturity date of two years or less and may be liquidated, at our discretion, prior to maturity.

The following tables summarize the gross unrealized holding losses and fair value for investments in an unrealized loss position, and the length of time that individual securities have been in a continuous loss position (in thousands):

	July 30, 2016					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable securities:						
State and local government securities	5,068	(12)	305	(1)	5,373	(13)
Total marketable securities	$ 5,068	$ (12)	$ 305	$ (1)	$ 5,373	$ (13)

	January 30, 2016					
	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable securities:						
State and local government securities	16,884	(15)	853	(172)	17,737	(187)
Total marketable securities	$ 16,884	$ (15)	$ 853	$ (172)	$ 17,737	$ (187)

We did not record a realized loss for other-than-temporary impairments during the three and six months ended July 30, 2016 or August 1, 2015.

3. Commitments and Contingencies

Leases We lease our stores and certain corporate and other operating facilities under operating leases. Total rent expense is as follows (in thousands):

	Three Months Ended		Six Months Ended	
	July 30, 2016	August 1, 2015	July 30, 2016	August 1, 2015
Minimum rent expense	$ 18,409	$ 17,050	$ 36,410	$ 33,944
Contingent rent expense	459	402	873	739
Total rent expense (1)	$ 18,868	$ 17,452	$ 37,283	$ 34,683

(1) Total rent expense does not include real estate taxes, insurance, common area maintenance charges and other executory costs, which were $10.3 million and $20.5 million for the three and six months ended July 30, 2016 and $9.6 million and $19.0 million for the three and six months ended August 1, 2015.

A majority of our leases provide for ongoing co-tenancy requirements or early cancellation clauses that would further lower rental rates, or permit lease terminations, or both, in the event that co-tenants cease to operate for specific periods or if certain sales levels are not met in specific periods. Most of the store leases require payment of a specified minimum rent and a contingent rent based on a percentage of the store s net sales in excess of a specified threshold, as well as real estate taxes, insurance, common area maintenance charges and other executory costs. Future minimum lease payments at July 30, 2016 are as follows (in thousands):

Fiscal 2016	$ 34,708
Fiscal 2017	65,954
Fiscal 2018	61,022
Fiscal 2019	54,155
Fiscal 2020	50,182
Thereafter	157,338
Total (1)	$ 423,359

(1) Amounts in the table do not include contingent rent and real estate taxes, insurance, common area maintenance charges and other executory costs obligations.

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Purchase Commitments At July 30, 2016, we had outstanding purchase orders to acquire merchandise from vendors of $167.6 million. We have an option to cancel these commitments with no notice prior to shipment, except for certain private label and international purchase orders in which we are obligated to repay contractual amounts upon cancellation.

Litigation We are involved from time to time in claims, proceedings and litigation arising in the ordinary course of business. We have made accruals with respect to these matters, where appropriate, which are reflected in our condensed consolidated financial statements. For some matters, the amount of liability is not probable or the amount cannot be reasonably estimated and therefore accruals have not been made. We may enter into discussions regarding settlement of these matters, and may enter into settlement agreements, if we believe settlement is in the best interest of our shareholders.

Insurance Reserves We use a combination of third-party insurance and self-insurance for a number of risk management activities including workers compensation, general liability and employee-related health care benefits. We maintain reserves for our self-insured losses, which are estimated based on historical claims experience and actuarial and other assumptions. The self-insurance reserve at July 30, 2016 and January 30, 2016 was $2.5 million and $2.1 million.

4. Revolving Credit Facilities and Debt

On February 5, 2016, the Company entered into an asset-based revolving credit agreement with Wells Fargo Bank, National Association, which provides for a senior secured revolving credit facility of up to $100 million (ABL Facility), subject to a borrowing base, with a letter of credit sub-limit of $10 million. The ABL Facility is available for working capital and other general corporate purposes. The ABL Facility replaced our $25.0 million secured revolving credit facility with Wells Fargo, which was entered into on July 9, 2014 and was scheduled to expire on September 1, 2016. The ABL Facility will mature on February 5, 2021.

The ABL Facility is secured by a first-priority security interest in substantially all of the personal property (but not the real property) of the borrowers and guarantors. Amounts borrowed under the ABL Facility bear interest, at the Company s option, at either an adjusted LIBOR rate plus a margin of 1.25% to 1.75% per annum, or an alternate base rate plus a margin of 0.25% to 0.75% per annum. The Company is also required to pay a fee of 0.25% per annum on undrawn commitments under the ABL Facility. Customary agency fees and letter of credit fees are also payable in respect of the ABL Facility.

Additionally, we have revolving lines of credit of up to 7.3 million Euro, the proceeds of which are used to fund certain international operations. The revolving lines of credit bear interest at 1.65%-3.00%. On August 12, 2016, the revolving lines of credit were increased to 20.5 million Euro.

There were no borrowings outstanding under any revolving lines of credit at July 30, 2016 and January 30, 2016. We had $0.3 million in open commercial letters of credit outstanding under these lines of credit at July 30, 2016 and no open commercial letters of credit outstanding at January 30, 2016.

5. Fair Value Measurements

We apply the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1	Quoted prices in active markets for identical assets or liabilities;
Level 2	Quoted prices for similar assets or liabilities in active markets or inputs that are observable; and
Level 3	Inputs that are unobservable.

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The following tables summarize assets measured at fair value on a recurring basis (in thousands):

	July 30, 2016		
	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	$ 653	$	$
Marketable securities:			
State and local government securities		31,095	
Variable-rate demand notes		1,645	
Other long term assets:			
Money market funds	2,110		
Equity investments			121
Total	$ 2,763	$ 32,740	$ 121

	January 30, 2016		
	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	$ 9,555	$	$
Marketable securities:			
State and local government securities		31,747	
Variable-rate demand notes		644	
Other long term assets:			
Money market funds	1,510		
State and local government securities			828
Equity investments			118
Total	$ 11,065	$ 32,391	$ 946

The Level 2 marketable securities primarily include state and local municipal securities and variable-rate demand notes. Fair values are based on quoted market prices for similar assets or liabilities or determined using inputs that use readily observable market data that are actively quoted and can be validated through external sources, including third-party pricing services, brokers and market transactions. We review the pricing techniques and methodologies of the independent pricing service for Level 2 investments and believe that its policies adequately consider market activity, either based on specific transactions for the security valued or based on modeling of securities with similar credit quality, duration, yield and structure that were recently traded. We monitor security-specific valuation trends and we make inquiries with the pricing service about material changes or the absence of expected changes to understand the underlying factors and inputs and to validate the reasonableness of the pricing.

There were no material assets measured at fair value on a nonrecurring basis for the three and six months ended July 30, 2016 and August 1, 2015.

6. Stockholders Equity

Share Repurchase In December 2014, our Board of Directors authorized us to repurchase $30.0 million shares of our common stock. This superseded and replaced any previously authorized share repurchase program. In June 2015, our Board of Directors superseded and replaced this program with a $50.0 million share repurchase program that was completed in August 2015. In December 2015, our Board of Directors authorized us to repurchase up to $70.0 million of our common stock. This program is expected to continue through January 28, 2017, unless the time period is extended or shortened by the Board of Directors.

The following table summarizes common stock repurchase activity during the six months ended July 30, 2016 (in thousands, except per share amounts):

Number of shares repurchased	1,059
Average price per share of repurchased shares (with commission)	$ 17.25
Total cost of shares repurchased	$ 18,269

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Accumulated Other Comprehensive (Loss) Income The component of accumulated other comprehensive (loss) income and the adjustments to other comprehensive (loss) income for amounts reclassified from accumulated other comprehensive (loss) income into net (loss) income is as follows (in thousands):

	Foreign currency translation adjustments	Net unrealized gains (losses) on available-for-sale investments	Accumulated other comprehensive loss
Three months ended July 30, 2016:			
Balance at April 30, 2016	$ (10,143)	$ (117)	$ (10,260)
Other comprehensive (loss) income, net (1)	(2,664)	122	(2,542)
Balance at July 30, 2016	$ (12,807)	$ 5	$ (12,802)
Three months ended August 1, 2015:			
Balance at May 2, 2015	$ (11,673)	$ (94)	$