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VIRCO MFG CORPORATION

Form 10-Q

September 12, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended July 31, 2014

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 1-8777

VIRCO MFG. CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

95-1613718

(I.R.S. Employer
Identification No.)

2027 Harpers Way, Torrance, CA

(Address of Principal Executive Offices)

90501

(Zip Code)

Registrant's Telephone Number, Including Area Code: (310) 533-0474

No change

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report.

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 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. (Check one):

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 ☒

The number of shares outstanding for each of the registrant's classes of common stock, as of the latest practicable date:

Common Stock, \$.01 par value — 14,852,640 shares as of September 5, 2014.

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PART I. Financial Information

Item 1. Financial Statements

Virco Mfg. Corporation

Condensed Consolidated Balance Sheets

	7/31/2014	1/31/2014	7/31/2013
	(In thousands, except share data)		
	Unaudited		Unaudited
	(Note 1)		(Note 1)
Assets			
Current assets			
Cash	\$1,130	\$1,051	\$2,443
Trade accounts receivables, net	29,414	8,468	32,088
Other receivables	47	52	107
Income tax receivable	317	290	304
Inventories			
Finished goods, net	20,145	7,237	14,137
Work in process, net	15,161	11,116	12,243
Raw materials and supplies, net	9,977	9,427	10,460
	45,283	27,780	36,840
Deferred tax assets, net	203	203	—
Prepaid expenses and other current assets	1,350	1,795	1,724
Total current assets	77,744	39,639	73,506
Property, plant and equipment			
Land	1,671	1,671	1,671
Land improvements	1,189	1,185	1,213
Buildings and building improvements	47,047	47,271	47,263
Machinery and equipment	113,152	115,667	116,335
Leasehold improvements	1,957	2,328	2,417
	165,016	168,122	168,899
Less accumulated depreciation and amortization	128,970	131,817	132,204
Net property, plant and equipment	36,046	36,305	36,695
Deferred tax assets, net	305	611	1,404
Other assets	6,990	6,789	6,722
Total assets	\$121,085	\$83,344	\$118,327
See accompanying notes.			

Virco Mfg. Corporation
Condensed Consolidated Balance Sheets

	7/31/2014	1/31/2014	7/31/2013
	(In thousands, except share data)		
	Unaudited		Unaudited
	(Note 1)		(Note 1)
Liabilities			
Current liabilities			
Accounts payable	\$20,382	\$12,355	\$17,282
Accrued compensation and employee benefits	3,860	3,594	4,143
Current portion of long-term debt	27,545	2,248	22,668
Deferred tax liabilities	—	—	572
Other accrued liabilities	7,293	4,459	8,110
Total current liabilities	59,080	22,656	52,775
Non-current liabilities			
Accrued self-insurance retention	2,020	2,025	2,614
Accrued pension expenses	23,132	23,951	25,763
Income tax payable	37	69	98
Long-term debt, less current portion	6,000	6,000	6,000
Other accrued liabilities	1,092	1,038	1,372
Total non-current liabilities	32,281	33,083	35,847