

TESSCO TECHNOLOGIES INC
Form 10-Q
August 09, 2012

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 1, 2012

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: 0-24746
TESSCO Technologies Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

52-0729657
(I.R.S Employer
Identification No.)

11126 McCormick Road, Hunt Valley, Maryland
(Address of principal executive offices)

21031
(Zip Code)

(410) 229-1000
(Registrant's telephone number, including area code)

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 submitted electronically and posted on its corporate Website, 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.

Edgar Filing: TESSCO TECHNOLOGIES INC - Form 10-Q

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 Exchange Act).

Yes No

The number of shares of the registrant's Common Stock, \$0.01 par value per share, outstanding as of July 31, 2012, was 8,029,062.

TESSCO Technologies Incorporated

Table of Contents

Part I	FINANCIAL INFORMATION	PAGE
	<u>Item 1.</u> <u>Financial Statements.</u>	3
	<u>Item 2.</u> <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations.</u>	16
	<u>Item 3.</u> <u>Quantitative and Qualitative Disclosure About Market Risk.</u>	23
	<u>Item 4.</u> <u>Controls and Procedures.</u>	23
Part II	OTHER INFORMATION	
	<u>Item 1.</u> <u>Legal Proceedings.</u>	24
	<u>Item 1A.</u> <u>Risk Factors.</u>	24
	<u>Item 2.</u> <u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>	24
	<u>Item 3.</u> <u>Defaults Upon Senior Securities.</u>	24
	<u>Item 4.</u> <u>Mine Safety Disclosures.</u>	24
	<u>Item 5.</u> <u>Other Information.</u>	24
	<u>Item 6.</u> <u>Exhibits.</u>	25
	<u>Signature</u>	26

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

TESSCO Technologies Incorporated
Consolidated Balance Sheets

	July 1, 2012 (unaudited)	April 1, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,268,500	\$ 18,211,600
Trade accounts receivable, net	97,070,400	88,748,200
Product inventory, net	57,615,000	53,360,300
Deferred tax assets	3,135,100	3,135,100
Prepaid expenses and other current assets	3,932,100	2,308,200
Total current assets	176,021,100	165,763,400
Property and equipment, net	22,138,700	22,905,700
Goodwill, net	11,684,700	11,684,700
Other long-term assets	2,119,500	2,143,900
Total assets	\$ 211,964,000	\$ 202,497,700
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 98,369,400	\$ 78,344,700
Payroll, benefits and taxes	4,993,400	17,211,600
Income and sales tax liabilities	1,424,600	3,137,000
Accrued expenses and other current liabilities	1,083,400	1,041,100
Current portion of long-term debt	249,200	249,200
Total current liabilities	106,120,000	99,983,600
	2,243,500	2,243,500

Edgar Filing: TESSCO TECHNOLOGIES INC - Form 10-Q

Deferred tax liabilities		
Long-term debt, net of current portion	2,645,700	2,708,000
Other long-term liabilities	3,799,500	3,910,700
Total liabilities	114,808,700	108,845,800
Commitments and Contingencies		
Shareholders' equity:		
Preferred stock	--	--
Common stock	90,800	88,000
Additional paid-in capital	47,673,200	45,135,900
Treasury stock	(48,075,400)	(46,276,400)
Retained earnings	97,466,700	94,704,400
Total shareholders' equity	97,155,300	93,651,900
Total liabilities and shareholders' equity	\$ 211,964,000	\$ 202,497,700

See accompanying notes.

Table of Contents

TESSCO Technologies Incorporated
Unaudited Consolidated Statements of Income and Comprehensive Income

	Fiscal Quarters Ended	
	July 1, 2012	June 26, 2011
Revenues	\$ 192,418,200	\$ 163,515,000