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ESCALADE INC
Form 10-Q
November 01, 2011

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 quarter ended October 1, 2011 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 0-6966

ESCALADE, INCORPORATED
(Exact name of registrant as specified in its charter)

Indiana
(State of incorporation)

13-2739290
(I.R.S. EIN)

817 Maxwell Ave, Evansville, Indiana
(Address of principal executive office)

47711
(Zip Code)

812-467-4449
(Registrant's Telephone Number)

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

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

Large accelerated filer
Non-accelerated filer
(do not check if a smaller reporting
company)

Accelerated filer
Smaller reporting company

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

Yes No

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

| Class | Outstanding at October 24, 2011 |
|----------------------|---------------------------------|
| Common, no par value | 12,883,948 |

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

ESCALADE, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

(All amounts in thousands, except share information)

| | October 1, 2011 (Unaudited) | December 25, 2010 (Audited) | October 2, 2010 (Unaudited) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 4,433 | \$ 1,536 | \$ 2,370 |
| Time deposits | 1,200 | 1,250 | 1,500 |
| Receivables, less allowance of \$920; \$1,204; and \$1,469; respectively | 23,728 | 25,458 | 23,726 |
| Inventories | 35,911 | 22,888 | 25,684 |
| Prepaid expenses | 1,545 | 1,160 | 1,783 |
| Deferred income tax benefit | 1,273 | 1,502 | 246 |
| Income tax receivable | — | 1,216 | — |
| TOTAL CURRENT ASSETS | 68,090 | 55,010 | 55,309 |
| Property, plant and equipment, net | 13,879 | 19,844 | 19,929 |
| Intangible assets | 14,560 | 15,678 | 16,020 |
| Goodwill | 25,646 | 25,397 | 25,788 |
| Investments | 12,911 | 11,624 | 10,346 |
| Deferred income tax benefit | — | — | 145 |
| | \$ 135,086 | \$ 127,553 | \$ 127,537 |

**LIABILITIES AND STOCKHOLDERS'
EQUITY**

Current Liabilities:

| | | | |
|-----------------------------------|---------------|---------------|---------------|
| Notes payable | \$ 18,129 | \$ 11,053 | \$ 13,829 |
| Current portion of long-term debt | 2,000 | 2,000 | 2,000 |
| Trade accounts payable | 4,913 | 3,751 | 3,229 |
| Accrued liabilities | 14,763 | 14,074 | 12,928 |
| Income tax payable | 651 | — | 987 |
| TOTAL CURRENT LIABILITIES | 40,456 | 30,878 | 32,973 |

Other Liabilities:

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Long-term debt | 5,500 | 7,500 | 7,500 |
| Deferred income tax liability | 2,208 | 2,145 | — |
| TOTAL LIABILITIES | 48,164 | 40,523 | 40,473 |

Stockholders' Equity:

Preferred stock:

Authorized 1,000,000 shares; no par value, none issued

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Common stock:

Authorized 30,000,000 shares; no par value,
 issued and outstanding – 12,876,806; 12,780,372;
 and 12,762,422; shares respectively

| | | | |
|--|--------|--------|--------|
| | 12,877 | 12,780 | 12,762 |
| Retained earnings | 69,951 | 70,329 | 69,365 |
| Accumulated other comprehensive income | 4,094 | | |