GRAHAM CORP
Form 10-Q
February 03, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2016

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 1-8462

GRAHAM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	16-1194720
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 Florence Avenue, Batavia, New York	14020
(Address of principal executive offices)	(Zip Code)

585-343-2216

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

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

As of January 27, 2017, there were outstanding 9,729,090 shares of the registrant’s common stock, par value $.10 per share.

Graham Corporation and Subsidiaries

Index to Form 10-Q

As of December 31, 2016 and March 31, 2016 and for the Three and Nine-Month Periods Ended December 31, 2016 and 2015

GRAHAM CORPORATION AND SUBSIDIARIES

FORM 10-Q

DECEMBER 31, 2016

PART I – FINANCIAL INFORMATION

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Item 1. Unaudited Condensed Consolidated Financial Statements
GRAHAM CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
	(Amounts in thousands, except per share data)		(Amounts in thousands, except per share data)	
Net sales	$ 22,654	$ 17,323	$ 66,145	$ 67,738
Cost of products sold	16,353	13,799	50,723	49,042
Gross profit	6,301	3,524	15,422	18,696
Other expenses and income:				
Selling, general and administrative	3,746	3,680	10,462	12,447
Selling, general and administrative – amortization	58	58	175	175
Restructuring charge	—	—	630	—
Interest income	(100)	(72)	(272)	(177)
Interest expense	3	4	7	8
Other income	—	(1,784)	—	(1,784)
Total other expenses and income	3,707	1,886	11,002	10,669
Income before provision for income taxes	2,594	1,638	4,420	8,027
Provision for income taxes	754	364	1,198	2,416
Net income	1,840	1,274	3,222	5,611
Retained earnings at beginning of period	108,655	108,895	109,013	106,178
Dividends	(876)	(795)	(2,616)	(2,415)
Retained earnings at end of period	$ 109,619	$ 109,374	$ 109,619	$ 109,374
Per share data				
Basic:				
Net income	$ 0.19	$ 0.13	$ 0.33	$ 0.56
Diluted:				
Net income	$ 0.19	$ 0.13	$ 0.33	$ 0.56
Weighted average common shares outstanding:				
Basic	9,727	9,922	9,709	10,051
Diluted	9,733	9,927	9,714	10,059
Dividends declared per share	$ 0.09	$ 0.08	$ 0.27	$ 0.24

See Notes to Condensed Consolidated Financial Statements.

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GRAHAM CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
	(Amounts in thousands)		(Amounts in thousands)	
Net income	$ 1,840	$ 1,274	$ 3,222	$ 5,611
Other comprehensive income:				
Foreign currency translation adjustment	(135)	(73)	(283)	(184)
Defined benefit pension and other postretirement plans net of income tax of $123 and $107, for the three months ended December 31, 2016 and 2015, respectively, and $369 and $322 for the nine months ended December 31, 2016 and 2015, respectively	225	197	674	589
Total other comprehensive income	90	124	391	405
Total comprehensive income	$ 1,930	$ 1,398	$ 3,613	$ 6,016

See Notes to Condensed Consolidated Financial Statements.

GRAHAM CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	December 31, 2016	March 31, 2016
	(Amounts in thousands, except per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$37,677	$24,072
Investments	35,000	41,000
Trade accounts receivable, net of allowances ($30 and $91 at December 31 and March 31, 2016, respectively)	11,490	12,730
Unbilled revenue	14,503	11,852
Inventories	9,109	10,811
Prepaid expenses and other current assets	1,060	613
Income taxes receivable	550	1,652
Total current assets	109,389	102,730
Property, plant and equipment, net	17,384	18,747
Goodwill	6,938	6,938
Permits	10,300	10,300
Other intangible assets, net	4,113	4,248
Other assets	204	168
Total assets	$148,328	$143,131
Liabilities and stockholders’ equity		
Current liabilities:		
Current portion of capital lease obligations	$55	$55
Accounts payable	8,071	10,325
Accrued compensation	4,977	5,317
Accrued expenses and other current liabilities	3,486	3,826
Customer deposits	15,095	8,400
Total current liabilities	31,684	27,923
Capital lease obligations	119	157
Accrued compensation	11	—
Deferred income tax liability	3,967	3,546
Accrued pension liability	797	1,338
Accrued postretirement benefits	809	787
Total liabilities	37,387	33,751
Commitments and contingencies (Note 11)		
Stockholders’ equity:		
Preferred stock, $1.00 par value, 500 shares authorized		
Common stock, $.10 par value, 25,500 shares authorized	1,054	1,047

10,545 and 10,468 shares issued and 9,729 and 9,646 shares outstanding at December 31 and March 31, respectively		
Capital in excess of par value	22,843	22,315
Retained earnings	109,619	109,013
Accumulated other comprehensive loss	(10,285)	(10,676)
Treasury stock (816 and 822 shares at December 31 and March 31, respectively)	(12,290)	(12,319)
Total stockholders’ equity	110,941	109,380
Total liabilities and stockholders’ equity	$148,328	$143,131

See Notes to Condensed Consolidated Financial Statements.

GRAHAM CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended December 31,	
	2016	2015
Operating activities:	(Dollar amounts in thousands)	
Net income	$3,222	$5,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,571	1,675
Amortization	175	175
Amortization of unrecognized prior service cost and actuarial losses	1,043	911
Stock-based compensation expense	433	540
Loss (gain) on disposal or sale of property, plant and equipment	1	(1)
Deferred income taxes	10	596
(Increase) decrease in operating assets:		
Accounts receivable	1,126	6,329
Unbilled revenue	(2,651)	10,152
Inventories	1,697	2,186
Prepaid expenses and other current and non-current assets	(489)	(420)
Income taxes payable/receivable	1,109	(2,531)
Prepaid pension asset	—	(917)
Increase (decrease) in operating liabilities:		
Accounts payable	(2,173)	(2,216)
Accrued compensation, accrued expenses and other current and non-current liabilities	(558)	(3,795)
Customer deposits	6,699	3,944
Long-term portion of accrued compensation, accrued pension liability and accrued postretirement benefits	(508)	(68)
Net cash provided by operating activities	10,707	22,171
Investing activities:		
Purchase of property, plant and equipment	(241)	(883)
Proceeds from disposal of property, plant and equipment	—	4
Purchase of investments	(39,000)	(36,000)
Redemption of investments at maturity	45,000	27,000
Net cash provided (used) by investing activities	5,759	(9,879)
Financing activities:		
Principal repayments on capital lease obligations	(38)	(42)
Issuance of common stock	79	97
Dividends paid	(2,616)	(2,415)
Purchase of treasury stock	(29)	(5,852)

Excess tax (deficiency) benefit on stock awards	(26)	5
Net cash used by financing activities	(2,630)	(8,207)
Effect of exchange rate changes on cash	(231)	(141)
Net increase in cash and cash equivalents	13,605	3,944
Cash and cash equivalents at beginning of year	24,072	27,271
Cash and cash equivalents at end of period	$37,677	$31,215

See Notes to Condensed Consolidated Financial Statements.

GRAHAM CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Amounts in thousands, except per share data)

NOTE 1 – BASIS OF PRESENTATION:

Graham Corporation's (the "Company's") Condensed Consolidated Financial Statements include its (i) wholly-owned foreign subsidiary located in Suzhou, China and (ii) wholly-owned domestic subsidiary located in Lapeer, Michigan. The Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X, each as promulgated by the Securities and Exchange Commission. The Company's Condensed Consolidated Financial Statements do not include all information and notes required by GAAP for complete financial statements. The unaudited Condensed Consolidated Balance Sheet as of March 31, 2016 presented herein was derived from the Company's audited Consolidated Balance Sheet as of March 31, 2016. For additional information, please refer to the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016 ("fiscal 2016"). In the opinion of management, all adjustments, including normal recurring accruals considered necessary for a fair presentation, have been included in the Company's Condensed Consolidated Financial Statements.

The Company's results of operations and cash flows for the three and nine months ended December 31, 2016 are not necessarily indicative of the results that may be expected for the current fiscal year, which ends March 31, 2017 ("fiscal 2017").

NOTE 2 – REVENUE RECOGNITION:

The Company recognizes revenue on all contracts with a planned manufacturing process in excess of four weeks (which approximates 575 direct labor hours) using the percentage-of-completion method. The majority of the Company's revenue is recognized under this methodology. The Company has established the systems and procedures essential to developing the estimates required to account for contracts using the percentage-of-completion method. The percentage-of-completion method is determined by comparing actual labor incurred to a specific date to management's estimate of the total labor to be incurred on each contract or completion of operational milestones assigned to each contract. Contracts in progress are reviewed monthly by management, and sales and earnings are adjusted in current accounting periods based on revisions in the contract value and estimated costs at completion. Losses on contracts are recognized immediately when evident to management.

Revenue on contracts not accounted for using the percentage-of-completion method is recognized utilizing the completed contract method. The majority of the Company's contracts (as opposed to revenue) have a planned manufacturing process of less than four weeks and the results reported under this method do not vary materially from the percentage-of-completion method. The Company recognizes revenue and all related costs on these contracts upon substantial completion or shipment to the customer. Substantial completion is consistently defined as at least 95% complete with regard to direct labor hours. Customer acceptance is generally required throughout the construction process and the Company has no further material obligations under its contracts after the revenue is recognized.

Receivables billed but not paid under retainage provisions in the Company's customer contracts were $859 and $2,071 at December 31, 2016 and March 31, 2016, respectively.

NOTE 3 – INVESTMENTS:

Investments consist of certificates of deposits with financial institutions. All investments have original maturities of greater than three months and less than one year and are classified as held-to-maturity, as the Company believes it has the intent and ability to hold the securities to maturity. Investments are stated at amortized cost which approximates fair value. All investments held by the Company at December 31, 2016 are scheduled to mature on or before September 14, 2017.

NOTE 4 – INVENTORIES:

Inventories are stated at the lower of cost or market, using the average cost method. Unbilled revenue in the Condensed Consolidated Balance Sheets represents revenue recognized that has not been billed to customers on contracts accounted for on the percentage-of-completion method. For contracts accounted for on the percentage-of-completion method, progress payments are netted against unbilled revenue to the extent the payment is less than the unbilled revenue for the applicable contract. Progress payments exceeding unbilled revenue are netted against inventory to the extent the payment is less than or equal to the inventory balance relating to the applicable contract, and the excess is presented as customer deposits in the Condensed Consolidated Balance Sheets.

Major classifications of inventories are as follows:

	December 31, 2016	March 31, 2016
Raw materials and supplies	$ 3,159	$ 3,178
Work in process	11,296	11,615
Finished products	978	659
	15,433	15,452
Less - progress payments	6,324	4,641
Total	$ 9,109	$ 10,811

NOTE 5 – INTANGIBLE ASSETS:

Intangible assets are comprised of the following:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
At December 31, 2016			
Intangibles subject to amortization:			
Customer relationships	$ 2,700	$ 1,087	$ 1,613
Intangibles not subject to amortization:			
Permits	$ 10,300	$ —	$ 10,300
Tradename	2,500	—	2,500
	$ 12,800	$ —	$ 12,800
At March 31, 2016			
Intangibles subject to amortization:			
Customer relationships	$ 2,700	$ 952	$ 1,748
Intangibles not subject to amortization:			
Permits	$ 10,300	$ —	$ 10,300
Tradename	2,500	—	2,500

$ 12,800	$ —	$ 12,800

Intangible assets are amortized on a straight line basis over the estimated useful lives. Intangible amortization expense for each of the three-month periods ended December 31, 2016 and 2015was $45. Intangible amortization expense for each of the nine-month periods ended December 31, 2016 and 2015 was $135. As of December 31, 2016, amortization expense is estimated to be $45 for the remainder of fiscal 2017 and $180 in each of the fiscal years ending March 31, 2018, 2019, 2020 and 2021.

NOTE 6 – STOCK-BASED COMPENSATION:

The Amended and Restated 2000 Graham Corporation Incentive Plan to Increase Shareholder Value, as approved by the Company's stockholders at the Annual Meeting on July 28, 2016, provides for the issuance of up to 1,375 shares of common stock in connection with grants of incentive stock options, non-qualified stock options, stock awards and performance awards to officers, key employees and outside directors. As of December 31, 2016, 310 shares remain available for future awards under the plan, 225 of which may be used for awards other than stock options. Stock options may be granted at prices not less than the fair market value at the date of grant and expire no later than ten years after the date of grant.

No restricted stock awards were granted in the three-month periods ended December 31, 2016 and 2015. Restricted stock awards granted in the nine-month periods ended December 31, 2016 and 2015 were 82 and 34, respectively. Restricted shares of 43 and 15 granted to officers in fiscal 2017 and fiscal 2016, respectively, vest 100% on the third anniversary of the grant date subject to the satisfaction of the performance metrics for the applicable three-year period. Restricted shares of 31 and 12 granted to officers and key employees in fiscal 2017 and fiscal 2016, respectively, vest 33 % per year over a three-year term. Restricted shares of 8 and 7 granted to directors in fiscal 2017 and fiscal 2016, respectively, vest 100% on the first year anniversary of the grant date. No stock option awards were granted in the three-month or nine-month periods ended December 31, 2016 and 2015.

During the three months ended December 31, 2016 and 2015, the Company recognized stock-based compensation costs related to stock option and restricted stock awards of $200 and $148, respectively. The income tax benefit recognized related to stock-based compensation was $70 and $52 for the three months ended December 31, 2016 and 2015, respectively. During the nine months ended December 31, 2016 and 2015, the Company recognized stock-based compensation costs related to stock option and restricted stock awards of $427 and $505, respectively. The income tax benefit recognized related to stock-based compensation was $151 and $178 for the nine months ended December 31, 2016 and 2015, respectively.

The Company has an Employee Stock Purchase Plan (the "ESPP"), which allows eligible employees to purchase shares of the Company's common stock at a discount of up to 15% of its fair market value on the (1) last, (2) first or (3) lower of the last or first day of the six-month offering period. A total of 200 shares of common stock may be purchased under the ESPP. During the three months ended December 31, 2016 and 2015, the Company recognized stock-based compensation costs of $0 and $14, respectively, related to the ESPP and $0 and $5, respectively, of related tax benefits. During the nine months ended December 31, 2016 and 2015, the Company recognized stock-based compensation costs of $6 and $35, respectively, related to the ESPP and $2 and $13, respectively, of related tax benefits.

NOTE 7 – INCOME PER SHARE:

Basic income per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted income per share is calculated by dividing net income by the weighted average number of common shares outstanding and, when applicable, potential common shares outstanding during the period. A reconciliation of the numerators and denominators of basic and diluted income per share is presented below:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
Basic income per share				
Numerator:				
Net income	$1,840	$1,274	$3,222	$5,611
Denominator:				
Weighted average common shares outstanding	9,727	9,922	9,709	10,051
Basic income per share	$.19	$.13	$.33	$.56
Diluted income per share				
Numerator:				
Net income	$1,840	$1,274	$3,222	$5,611
Denominator:				
Weighted average common shares outstanding	9,727	9,922	9,709	10,051

Stock options outstanding	6	5	5	8
Weighted average common and potential common				
shares outstanding	9,733	9,927	9,714	10,059
Diluted income per share	$.19	$.13	$.33	$.56

Options to purchase a total of 16 and 54 shares of common stock were outstanding at December 31, 2016 and 2015, respectively, but were not included in the above computation of diluted income per share given their exercise prices as they would not be dilutive upon issuance.

NOTE 8 – PRODUCT WARRANTY LIABILITY:

The reconciliation of the changes in the product warranty liability is as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
Balance at beginning of period	$582	$504	$686	$653
(Income) expense for product warranties	(81)	(158)	31	(45)
Product warranty claims paid	(4)	(11)	(220)	(273)
Balance at end of period	$497	$335	$497	$335

Income of $81 and $158 for product warranties in the three months ended December 31, 2016 and 2015, respectively, and the income of $45 in the nine months ended December 31, 2015 resulted from the reversal of provisions made that were no longer required due to lower claims experience.

The product warranty liability is included in the line item "Accrued expenses and other current liabilities" in the Condensed Consolidated Balance Sheets.

NOTE 9 - CASH FLOW STATEMENT:

Interest paid was $7 and $8 in the nine-month periods ended December 31, 2016 and 2015, respectively. Income taxes paid for the nine months ended December 31, 2016 and 2015 were $104 and $4,348, respectively.

During the nine months ended December 31, 2016 and 2015, respectively, stock option awards were exercised and restricted stock awards vested. In connection with such stock option exercises and vesting, the related income tax benefit realized was (less) greater than the tax benefit that had been recorded pertaining to the compensation cost recognized by $(26) and $5, respectively, for such periods. This excess tax (deficiency) benefit has been separately reported under "Financing activities" in the Condensed Consolidated Statements of Cash Flows. Also, in the nine months ended December 31, 2016 and 2015, non-cash activities included the issuance of treasury stock valued at $107 and $124, respectively, to the Company’s Employee Stock Purchase Plan.

At December 31, 2016 and 2015, respectively, there were $31 and $20 of capital purchases that were recorded in accounts payable and are not included in the caption "Purchase of property, plant and equipment" in the Condensed Consolidated Statements of Cash Flows.

NOTE 10 – EMPLOYEE BENEFIT PLANS:

The components of pension cost (benefit) are as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
Service cost	$151	$130	$451	$391
Interest cost	362	360	1,087	1,078
Expected return on assets	(718)	(795)	(2,155)	(2,385)
Amortization of actuarial loss	337	293	1,013	880
Net pension cost (benefit)	$132	$(12)	$396	$(36)

The Company made no contributions to its defined benefit pension plan during the nine months ended December 31, 2016 and does not expect to make any contributions to the plan for the balance of fiscal 2017.

The components of the postretirement benefit cost are as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
Interest cost	$ 5	$ 7	$ 19	$ 20
Amortization of actuarial loss	11	10	30	30
Net postretirement benefit cost	$ 16	$ 17	$ 49	$ 50

The Company paid no benefits related to its postretirement benefit plan during the nine months ended December 31, 2016. The Company expects to pay benefits of approximately $88 for the balance of fiscal 2017.

The Company self-funds the medical insurance coverage it provides to its U.S. based employees. The Company maintains a stop loss insurance policy in order to limit its exposure to claims. The liability of $178 and $176 on December 31, 2016 and March 31, 2016, respectively, related to the self-insured medical plan is primarily based upon claim history and is included in the caption “Accrued compensation” as a current liability in the Condensed Consolidated Balance Sheets.

NOTE 11 – COMMITMENTS AND CONTINGENCIES:

The Company has been named as a defendant in lawsuits alleging personal injury from exposure to asbestos allegedly contained in, or accompanying, products made by the Company. The Company is a co-defendant with numerous other defendants in these lawsuits and intends to vigorously defend itself against these claims. The claims in the Company’s current lawsuits are similar to those made in previous asbestos-related suits that named the Company as defendant, which either were dismissed when it was shown that the Company had not supplied products to the plaintiffs’ places of work or were settled for immaterial amounts.

As of December 31, 2016, the Company was subject to the claims noted above, as well as other legal proceedings and potential claims that have arisen in the ordinary course of business.

Although the outcome of the lawsuits, legal proceedings or potential claims to which the Company is, or may become, a party to cannot be determined and an estimate of the reasonably possible loss or range of loss cannot be made, management does not believe that the outcomes, either individually or in the aggregate, will have a material effect on the Company’s results of operations, financial position or cash flows.

NOTE 12 – INCOME TAXES:

The Company files federal and state income tax returns in several domestic and international jurisdictions. In most tax jurisdictions, returns are subject to examination by the relevant tax authorities for a number of years after the returns have been filed. The Company is subject to U.S. federal examination for the tax years 2014 through 2016 and examination in state tax jurisdictions for the tax years 2012 through 2016. The Company is subject to examination in the People’s Republic of China for tax years 2013 through 2015.

There was no liability for unrecognized tax benefits at each of December 31, 2016 and March 31, 2016.

NOTE 13 – CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS:

The changes in accumulated other comprehensive loss by component for the nine months ended December 31, 2016 and 2015 are as follows:

	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
Balance at April 1, 2016	$ (10,932)	$ 256	$ (10,676)
Other comprehensive income before reclassifications	—	(283)	(283)
Amounts reclassified from accumulated other comprehensive loss	674	—	674
Net current-period other comprehensive income	674	(283)	391
Balance at December 31, 2016	$ (10,258)	$ (27)	$ (10,285)

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	Pension and Other Postretirement Benefit Items	Foreign Currency Items	Total
Balance at April 1, 2015	$ (9,462)	$ 406	$(9,056)
Other comprehensive income before reclassifications	—	(184)	(184)
Amounts reclassified from accumulated other comprehensive loss	589	—	589
Net current-period other comprehensive income	589	(184)	405
Balance at December 31, 2015	$ (8,873)	$ 222	$(8,651)

The reclassifications out of accumulated other comprehensive loss by component for the three and nine months ended December 31, 2016 and 2015 are as follows:

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss Three Months Ended December 31, 2016	2015	Affected Line Item in the Condensed Consolidated Statements of Operations and Retained Earnings
Pension and other postretirement benefit items:			
Amortization of actuarial loss	$ (348		