

TOOTSIE ROLL INDUSTRIES INC

Form 10-Q

November 04, 2016

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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 September 30, 2016

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 1-1361

Tootsie Roll Industries, Inc.

(Exact Name of Registrant as Specified in its Charter)

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VIRGINIA 22-1318955  
(State of Incorporation) (I.R.S. Employer Identification No.)

7401 South Cicero Avenue, Chicago, Illinois 60629  
(Address of Principal Executive Offices) (Zip Code)

773-838-3400

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

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

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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 (September 30, 2016).

Class	Outstanding
Common Stock, \$.69 4/9 par value	37,774,914
Class B Common Stock, \$.69 4/9 par value	24,226,459

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TOOTSIE ROLL INDUSTRIES, INC.

September 30, 2016

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This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See “Forward-Looking Statements” under Part I — Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report on Form 10-Q.



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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## TOOTSIE ROLL INDUSTRIES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands) (Unaudited)

	September 30, 2016	December 31, 2015	September 30, 2015
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash & cash equivalents	\$ 94,239	\$ 126,145	\$ 70,726
Restricted cash	409	395	1,273
Investments	27,905	42,155	53,422
Trade accounts receivable, less allowances of \$3,274, \$2,225 & \$3,349	81,718	51,010	98,088
Other receivables	1,552	2,772	4,549
Inventories:			
Finished goods & work-in-process	36,173	35,032	45,929
Raw material & supplies	28,613	27,231	31,644
Prepaid expenses	5,077	5,935	5,401
Deferred income taxes	3,149	3,131	6,776
Total current assets	278,835	293,806	317,808
<b>PROPERTY, PLANT &amp; EQUIPMENT, at cost:</b>			
Land	22,155	22,188	22,214
Buildings	114,473	114,562	113,091
Machinery & equipment	355,059	357,627	348,988
Construction in progress	17,511	5,158	14,162
	509,198	499,535	498,455
Less-accumulated depreciation	326,609	314,949	310,887
Net property, plant and equipment	182,589	184,586	187,568
<b>OTHER ASSETS:</b>			
Goodwill	73,237	73,237	73,237

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Trademarks	175,024	175,024	175,024
Investments	189,956	152,930	152,491
Split dollar officer life insurance	26,042	26,042	26,042
Prepaid expenses and other assets	1,526	3,050	3,722
Deferred income taxes	275	308	1,505
Total other assets	466,060	430,591	432,021
Total assets	\$ 927,484	\$ 908,983	\$ 937,397

(The accompanying notes are an integral part of these statements.)

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(in thousands except per share data) (Unaudited)

	September 30, 2016	December 31, 2015	September 30, 2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 13,366	\$ 11,322	\$ 16,592
Bank loans	164	231	253
Dividends payable	5,578	5,486	5,512
Accrued liabilities	52,354	50,117	53,119
Postretirement health care	448	448	328
Income taxes payable	3,955	4,436	10,737
Liability for uncertain tax positions	-	-	1,001
Deferred compensation	-	-	13,514
Deferred income taxes	666	22	-
Total current liabilities	76,531	72,062	101,056
<b>NONCURRENT LIABILITIES:</b>			
Deferred income taxes	49,276	47,594	51,608
Bank loans	283	383	430
Postretirement health care	11,283	10,952	12,475
Industrial development bonds	7,500	7,500	7,500
Liability for uncertain tax positions	4,939	5,101	6,109
Deferred compensation and other liabilities	72,119	66,843	64,701
Total noncurrent liabilities	145,400	138,373	142,823
<b>TOOTSIE ROLL INDUSTRIES, INC. SHAREHOLDERS' EQUITY:</b>			
Common stock, \$.69-4/9 par value- 120,000 shares authorized; 37,775, 37,382 & 37,688, respectively, issued	26,232	25,960	26,172
Class B common stock, \$.69-4/9 par value- 40,000 shares authorized; 24,226, 23,542 & 23,555, respectively, issued	16,824	16,348	16,358
Capital in excess of par value	649,514	622,882	632,667
Retained earnings	31,557	52,349	38,123
Accumulated other comprehensive loss	(16,805)	(17,364)	(18,217)
Treasury stock (at cost)- 83, 80 & 80 shares, respectively	(1,992)	(1,992)	(1,992)
Total Tootsie Roll Industries, Inc. shareholders' equity	705,330	698,183	693,111
Noncontrolling interests	223	365	407
Total equity	705,553	698,548	693,518
Total liabilities and shareholders' equity	\$ 927,484	\$ 908,983	\$ 937,397



(The accompanying notes are an integral part of these statements.)

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TOOTSIE ROLL INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF

EARNINGS AND RETAINED EARNINGS

(in thousands except per share amounts) (Unaudited)

	Quarter Ended		Year to Date Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net product sales	\$ 185,473	\$ 183,806	\$ 393,094	\$ 396,811
Rental and royalty revenue	884	819	2,827	2,571
Total revenue	186,357	184,625	395,921	399,382
Product cost of goods sold	114,748	117,046	245,581	252,924
Rental and royalty cost	235	213	782	671
Total costs	114,983	117,259	246,363	253,595
Product gross margin	70,725	66,760	147,513	143,887
Rental and royalty gross margin	649	606	2,045	1,900
Total gross margin	71,374	67,366	149,558	145,787
Selling, marketing and administrative expenses	32,101	26,338	81,772	78,161
Earnings from operations	39,273	41,028	67,786	67,626
Other income (loss), net	1,943	(2,879)	4,147	(1,085)
Earnings before income taxes	41,216	38,149	71,933	66,541
Provision for income taxes	12,619	12,008	22,406	20,077
Net earnings	28,597	26,141	49,527	46,464
Less: Net earnings (loss) attributable to noncontrolling interests	(40)	(30)	(142)	80
Net earnings attributable to Tootsie Roll Industries, Inc.	\$ 28,637	\$ 26,171	\$ 49,669	\$ 46,384
Net earnings attributable to Tootsie Roll Industries, Inc. per share	\$ 0.46	\$ 0.41	\$ 0.80	\$ 0.73
Dividends per share *	\$ 0.09	\$ 0.09	\$ 0.27	\$ 0.26
Average number of shares outstanding	62,174	63,172	62,358	63,408
Retained earnings at beginning of period	\$ 8,491	\$ 17,454	\$ 52,349	\$ 64,927
Net earnings attributable to Tootsie Roll Industries, Inc.	28,637	26,171	49,669	46,384
Cash dividends	(5,571)	(5,502)	(16,645)	(15,829)
Stock dividends	-	-	(53,816)	(57,359)

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Retained earnings at end of period	\$ 31,557	\$ 38,123	\$ 31,557	\$ 38,123
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\*Does not include 3% stock dividend to shareholders of record on 3/8/16 and 3/10/15.

(The accompanying notes are an integral part of these statements.)

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TOOTSIE ROLL INDUSTRIES, INC.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS

(in thousands except per share amounts) (Unaudited)

	Quarter Ended		Year to Date Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net earnings	\$ 28,597	\$ 26,141	\$ 49,527	\$ 46,464
Other comprehensive income (loss), before tax:				
Foreign currency translation adjustments	(906)	(1,995)	(2,337)	(3,706)
Pension and postretirement reclassification adjustments:				
Unrealized gains (losses) for the period on postretirement and pension benefits	-	-	-	-
Less: reclassification adjustment for (gains) losses to net earnings	(411)	(362)	(1,232)	(1,088)
Unrealized gains (losses) on postretirement and pension benefits	(411)	(362)	(1,232)	(1,088)
Investments:				
Unrealized gains (losses) for the period on investments	(289)	108	710	108
Less: reclassification adjustment for (gains) losses to net earnings	-	-	4	-
Unrealized gains (losses) on investments	(289)	108	714	108
Derivatives:				
Unrealized gains (losses) for the period on derivatives	1,288	(2,022)	4,411	(4,537)
Less: reclassification adjustment for (gains) losses to net earnings	(337)	1,628	646	3,302
Unrealized gains (losses) on derivatives	951	(394)	5,057	(1,235)
Total other comprehensive income (loss), before tax	(655)	(2,643)	2,202	(5,921)
Income tax benefit (expense) related to items of other comprehensive income	(91)	235	(1,643)	802
Total comprehensive earnings	27,851	23,733	50,086	41,345
Comprehensive earnings (loss) attributable to noncontrolling interests	(40)	(30)	(142)	80
Total comprehensive earnings attributable to Tootsie Roll Industries, Inc.	\$ 27,891	\$ 23,763	\$ 50,228	\$ 41,265

(The accompanying notes are an integral part of these statements.)

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TOOTSIE ROLL INDUSTRIES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands) (Unaudited)

	Year to Date Ended	
	September 30, 2016	September 30, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net earnings	\$ 49,527	\$ 46,464
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	14,651	15,112
Deferred income taxes	23	170
Amortization of marketable security premiums	2,221	2,349
Changes in operating assets and liabilities:		
Accounts receivable	(31,367)	(55,672)
Other receivables	2,622	(966)
Inventories	(2,826)	(7,804)
Prepaid expenses and other assets	3,678	11,364
Accounts payable and accrued liabilities	6,906	11,136
Income taxes payable	3	8,195
Postretirement health care and life insurance benefits	(902)	(597)
Deferred compensation and other liabilities	2,496	509
Net cash from operating activities	47,032	30,260
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Restricted cash	-	227
Capital expenditures	(13,067)	(12,421)
Purchases of trading securities	(3,064)	(3,333)
Sales of trading securities	645	2,275
Purchase of available for sale securities	(45,298)	(45,826)
Sale and maturity of available for sale securities	26,517	40,390
Net cash used in investing activities	(34,267)	(18,688)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Shares purchased and retired	(26,293)	(22,998)
Dividends paid in cash	(16,694)	(15,269)
Proceeds from bank loans	2,156	-
Repayment of bank loans	(2,339)	(87)
Net cash used in financing activities	(43,170)	(38,354)
Effect of exchange rate changes on cash	(1,501)	(2,600)
Decrease in cash and cash equivalents	(31,906)	(29,382)
Cash and cash equivalents at beginning of year	126,145	100,108
Cash and cash equivalents at end of quarter	\$ 94,239	\$ 70,726

Supplemental cash flow information:

Income taxes paid, net	\$ 22,622	\$ 11,766
Interest paid	\$ 19	\$ 15
Stock dividend issued	\$ 61,671	\$ 57,220

(The accompanying notes are an integral part of these statements.)

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TOOTSIE ROLL INDUSTRIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2016

(in thousands except per share amounts) (Unaudited)

Note 1 — Significant Accounting Policies

General Information

Foregoing data has been prepared from the unaudited financial records of Tootsie Roll Industries, Inc. (the Company) and in the opinion of management all adjustments, which are of a normal recurring nature, necessary for a fair statement of the results for the interim period have been reflected. Certain amounts previously reported have been reclassified to conform to the current year presentation. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company's 2015 Form 10-K.

Results of operations for the period ended September 30, 2016 are not necessarily indicative of results to be expected for the year to end December 31, 2016 because of the seasonal nature of the Company's operations. Historically, the third quarter has been the Company's largest sales quarter due to pre-Halloween sales.

Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 that introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period.



The Company is currently evaluating the new guidance to determine the impact it may have on the consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15 which provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. This guidance will be effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company does not expect the adoption of this guidance to have a significant impact on the consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17 which requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The current requirement that deferred tax liabilities and assets of a tax-paying component of an entity be offset and presented as a single amount is not affected by the amendments in the standard. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted and the standard may be applied either retrospectively or on a prospective basis to all deferred tax assets and liabilities. The Company is currently evaluating the new guidance to determine the impact it may have on the consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01 which modifies certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and early adoption is permitted. The Company is currently evaluating the new guidance to determine the impact it may have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02 which amends existing guidance to require lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by long-term leases and to disclose

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additional quantitative and qualitative information about leasing arrangements. This ASU also provides clarifications surrounding the presentation of the effects of leases in the income statement and statement of cash flows. This guidance will be effective for the Company on January 1, 2019. The Company is currently evaluating this new guidance to determine the impact it will have on its consolidated financial statements.

In April 2016, the FASB issued ASU 2016-10, which contains amendments to the new revenue recognition standard on identifying performance obligations and accounting for licenses of intellectual property. The amendments related to identifying performance obligations clarify when a promised good or service is separately identifiable and allows entities to disregard items that are immaterial in the context of a contract. The licensing implementation amendments clarify how an entity should evaluate the nature of its promise in granting a license of intellectual property, which will determine whether revenue is recognized over time or at a point in time. This new standard has the same effective date and transition requirements as ASU 2014-09. The Company is currently evaluating this new guidance to determine the impact it will have on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, the amendments in this update address eight specific cash flow issues with the objective of reducing the existing diversity in practice. The effective date of the amendments to the standard is for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating this new guidance to determine the impact it will have on its consolidated financial statements.

Note 2 — Average Shares Outstanding

The average number of shares outstanding for nine months 2016 reflect stock purchases of 740 shares for \$26,293 and a 3% stock dividend distributed on April 8, 2016. The average number of shares outstanding for nine months 2015 reflect stock purchases of 728 shares for \$22,998 and a 3% stock dividend distributed on April 10, 2015.

Note 3 — Income Taxes

The Company is subject to taxation in the U.S. and various state and foreign jurisdictions. The Company remains subject to examination by U.S. federal and state and foreign tax authorities for the years 2013 through 2015. With few exceptions, the Company is no longer subject to examination by tax authorities for the year 2012 and prior. The consolidated effective tax rates were 30.6% and 31.5% in third quarter 2016 and 2015, respectively, and 31.1% and 30.2% in nine months 2016 and 2015, respectively. The lower effective tax rate in nine months 2015 compared to nine months 2016 principally reflects a \$1,066 release of an uncertain income tax liability and resulting income tax benefit due to a decision by a foreign court issued in the second quarter 2015.

Note 4 — Fair Value Measurements

Current accounting guidance defines fair value as the price that would be received on the sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Guidance requires disclosure of the extent to which fair value is used to measure financial assets and liabilities, the inputs utilized in calculating valuation measurements, and the effect of the measurement of significant unobservable inputs on earnings, or changes in net assets, as of the measurement date. Guidance establishes a three-level valuation hierarchy based upon the transparency of inputs utilized in the measurement and valuation of financial assets or liabilities as of the measurement date. Level 1 inputs include quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, foreign currency exchange rates, commodity rates and yield curves. Level 3 inputs are not observable in the market and include management's own judgments about the assumptions market participants would use in pricing the asset or liability. The use of observable and unobservable inputs is reflected in the hierarchy assessment disclosed in the table below.

As of September 30, 2016, December 31, 2015 and September 30, 2015, the Company held certain financial assets that are required to be measured at fair value on a recurring basis. These included derivative hedging instruments related to the purchase of certain raw materials and foreign currencies, investments in trading securities and available for sale securities. The Company's available for sale securities principally consist of corporate and municipal bonds that are publicly traded, and its trading securities principally consist of equity mutual funds that are publicly traded.

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The following table presents information about the Company's financial assets and liabilities measured at fair value as of September 30, 2016, December 31, 2015 and September 30, 2015 and indicate the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

	Estimated Fair Value September 30, 2016			
	Total	Input Levels Used		
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 94,239	\$ 94,239	\$ -	\$ -
Available for sale securities	151,776	2,429	149,347	-
Foreign currency forward contracts	(532)	-	(532)	-
Commodity futures contracts	3,234	3,234	-	-
Trading securities	66,085	66,085	-	-
Total assets measured at fair value	\$ 314,802	\$ 165,987	\$ 148,815	\$ -

  

	Estimated Fair Value December 31, 2015			
	Total	Input Levels Used		
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 126,145	\$ 126,145	\$ -	\$ -
Available for sale securities	134,501	2,430	132,071	-
Foreign currency forward contracts	(2,626)	-	(2,626)	-
Commodity futures contracts, net	271	271	-	-
Trading securities	60,584	60,584	-	-
Total assets measured at fair value	\$ 318,875	\$ 189,430	\$ 129,445	\$ -

  

	Estimated Fair Value September 30, 2015			
	Total	Input Levels Used		
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 70,726	\$ 70,726	\$ -	\$ -
Available for sale securities	134,542	2,453	132,089	-
Foreign currency forward contracts	(2,977)	-	(2,977)	-
Commodity futures contracts	(932)	(932)	-	-
Trading securities	71,371	71,371	-	-
Total assets measured at fair value	\$ 272,730	\$ 143,618	\$ 129,112	\$ -

The fair value of the Company's industrial revenue development bonds at September 30, 2016, December 31, 2015 and September 30, 2015 were valued using Level 2 inputs which approximates the carrying value of \$7,500 for the respective periods. Interest rates on these bonds are reset weekly based on current market conditions.

## Note 5 — Derivative Instruments and Hedging Activities

The Company uses derivative instruments, including foreign currency forward contracts, commodity futures contracts and commodity option contracts, to manage its exposures to foreign exchange and commodity prices. Commodity futures contracts and most commodity option contracts are intended and effective as hedges of market price risks associated with the anticipated purchase of certain raw materials (primarily sugar). Foreign currency forward contracts are intended and effective as hedges of the Company's exposure to the variability of cash flows, primarily related to the foreign exchange rate changes of products manufactured in Canada and sold in the United States. The Company does not engage in trading or other speculative use of derivative instruments.

The Company recognizes all derivative instruments as either assets or liabilities at fair value in the Condensed Consolidated Statement of Financial Position. Derivative assets are recorded in other receivables and derivative liabilities are recorded in accrued liabilities. The Company uses either hedge accounting or mark-to-market accounting for its derivative instruments. Derivatives that qualify for hedge accounting are designated as cash flow hedges by formally documenting the hedge relationships, including identification of the hedging instruments, the hedged items

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and other critical terms, as well as the Company's risk management objectives and strategies for undertaking the hedge transaction.

Changes in the fair value of the Company's cash flow hedges are recorded in accumulated other comprehensive loss, net of tax, and are reclassified to earnings in the periods in which earnings are affected by the hedged item. Substantially all amounts reported in accumulated other comprehensive loss for commodity derivatives are expected to be reclassified to cost of goods sold. Substantially all amounts reported in accumulated other comprehensive loss for foreign currency derivatives are expected to be reclassified to other income, net.

The following table summarizes the Company's outstanding derivative contracts and their effects on its Condensed Consolidated Statements of Financial Position at September 30, 2016, December 31, 2015 and September 30, 2015:

	September 30, 2016		
	Notional		
	Amounts	Assets	Liabilities
Derivatives designated as hedging instruments:			
Foreign currency forward contracts	\$ 5,684	\$ -	\$ (532)
Commodity futures contracts	11,047	3,256	(22)
Total derivatives		\$ 3,256	\$ (554)
	December 31, 2015		
	Notional		
	Amounts	Assets	Liabilities
Derivatives designated as hedging instruments:			
Foreign currency forward contracts	\$ 15,668	\$ -	\$ (2,626)
Commodity futures contracts	13,202	484	(213)
Total derivatives		\$ 484	\$ (2,839)
	September 30, 2015		
	Notional		
	Amounts	Assets	Liabilities
Derivatives designated as hedging instruments:			
Foreign currency forward contracts	\$ 22,500	\$ -	\$ (2,977)
Commodity futures contracts	10,263	49	(981)
Total derivatives		\$ 49	\$ (3,958)



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The effects of derivative instruments on the Company's Condensed Consolidated Statements of Earnings and Retained Earnings and the Condensed Consolidated Statements of Comprehensive Earnings for periods ended September 30, 2016 and September 30, 2015 are as follows:

	For Quarter Ended September 30, 2016		
	Gain (Loss)	Gain (Loss) Reclassified from Recognized Accumulated OCI in OCI into Earnings	Gain (Loss) on Amount Excluded from Effectiveness Testing Recognized in Earnings
Foreign currency forward contracts	\$ (77)	\$ (456)	\$ -
Commodity futures contracts	1,365	793	-
Total	\$ 1,288	\$ 337	\$ -
	For Quarter Ended September 30, 2015		
	Gain (Loss)	Gain (Loss)	Gain (Loss) on Amount Excluded