

VILLAGE SUPER MARKET INC  
Form 10-Q  
March 08, 2011

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended: January 29, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934.

Commission File No. 0-2633

VILLAGE SUPER MARKET, INC.  
(Exact name of registrant as specified in its charter)

NEW JERSEY  
(State of other jurisdiction of incorporation or  
organization)

22-1576170  
(I. R. S. Employer Identification No.)

733 MOUNTAIN AVENUE, SPRINGFIELD, NEW  
JERSEY  
(Address of principal executive offices)

07081  
(Zip Code)

(973) 467-2200  
(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 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 12-b2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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

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

|                     |           |
|---------------------|-----------|
|                     | March 8,  |
|                     | 2011      |
| Class A Common      | 7,066,623 |
| Stock, No Par Value | Shares    |
| Class B Common      | 6,376,304 |
| Stock, No Par Value | Shares    |

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VILLAGE SUPER MARKET, INC.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

VILLAGE SUPER MARKET, INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS  
(in Thousands) (Unaudited)

|  | January 29,<br>2011 | July 31,<br>2010 |
|--|---------------------|------------------|
| <b>ASSETS</b>  |                     |                  |
| Current assets   |                     |                  |
| Cash and cash equivalents  | \$ 75,092           | \$ 69,043        |
| Merchandise inventories  | 37,592              | 36,256           |
| Patronage dividend receivable  | 3,735               | 8,758            |
| Other current assets   | 12,490              | 11,825           |
| Total current assets   | 128,909             | 125,882          |
| Note receivable from Wakefern  | 18,852              | 18,204           |
| Property, equipment and fixtures, net  | 174,002             | 175,286          |
| Investment in Wakefern   | 20,910              | 20,263           |
| Goodwill   | 10,605              | 10,605           |
| Other assets   | 4,621               | 6,889            |
|  | \$ 357,899          | \$ 357,129       |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |                     |                  |
| Current liabilities  |                     |                  |
| Current portion of capital and financing lease obligations   | \$ ----             | \$ 13            |
| Current portion of notes payable to Wakefern   | 341                 | 341              |
| Accounts payable to Wakefern   | 48,069              | 47,088           |
| Accounts payable and accrued expenses  | 25,628              | 24,434           |
| Income taxes payable   | 13,091              | 12,805           |
| Total current liabilities  | 87,129              | 84,681           |
| Capital and financing lease obligations  | 40,465              | 40,351           |
| Notes payable to Wakefern  | 1,307               | 1,480            |
| Other liabilities  | 26,906              | 24,842           |
| Commitments and contingencies  |                     |                  |
| Shareholders' equity   |                     |                  |
| Class A common stock - no par value, issued 7,544 shares at January 29, 2011 and 7,541 shares at July 31, 2010 | 34,318              | 32,434           |
| Class B common stock - no par value, 6,376 shares issued and outstanding                                       | 1,035               | 1,035            |
| Retained earnings  | 179,542             | 185,790          |
| Accumulated other comprehensive loss   | ( 9,951 )           | ( 10,421 )       |
| Less cost of Class A treasury shares (477 at January 29, 2011 and 513 at July 31, 2010)                        | ( 2,852 )           | ( 3,063 )        |
| Total shareholders' equity   | 202,092             | 205,775          |

|  |            |           |
|--|------------|-----------|
|  | \$ 357,899 | \$357,129 |
|--|------------|-----------|

See accompanying Notes to Consolidated Condensed Statements.

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VILLAGE SUPER MARKET, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
(in Thousands except Per Share Amounts)  
(Unaudited)

|                                      | 13 Wks.<br>Ended<br>Jan. 29, 2011 | 13 Wks.<br>Ended<br>Jan. 23, 2010 | 26 Wks.<br>Ended<br>Jan. 29, 2011 | 26 Wks.<br>Ended<br>Jan. 23, 2010 |
|--------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Sales                                | \$ 329,917                        | \$ 315,309                        | \$ 637,314                        | \$ 618,093                        |
| Cost of sales                        | 241,276                           | 229,153                           | 467,746                           | 451,369                           |
| Gross profit                         | 88,641                            | 86,156                            | 169,568                           | 166,724                           |
| Operating and administrative expense | 72,106                            | 70,166                            | 141,183                           | 138,543                           |
| Depreciation and amortization        | 4,582                             | 4,063                             | 9,118                             | 8,033                             |
| Operating income                     | 11,953                            | 11,927                            | 19,267                            | 20,148                            |
| Interest expense                     | (1,069 )                          | (905 )                            | (2,137 )                          | (1,853 )                          |
| Interest income                      | 507                               | 490                               | 1,031                             | 986                               |
| Income before income taxes           | 11,391                            | 11,512                            | 18,161                            | 19,281                            |
| Income taxes                         | 4,775                             | 4,775                             | 7,611                             | 8,002                             |
| Net income                           | \$ 6,616                          | \$ 6,737                          | \$ 10,550                         | \$ 11,279                         |
| Net income per share:                |                                   |                                   |                                   |                                   |
| Class A Common Stock:                |                                   |                                   |                                   |                                   |
| Basic                                | \$ .59                            | \$ .61                            | \$ .94                            | \$ 1.01                           |
| Diluted                              | \$ .49                            | \$ .50                            | \$ .78                            | \$ .83                            |
| Class B Common Stock:                |                                   |                                   |                                   |                                   |
| Basic                                | \$ .38                            | \$ .39                            | \$ .61                            | \$ .66                            |
| Diluted                              | \$ .38                            | \$ .39                            | \$ .61                            | \$ .65                            |

See accompanying Notes to Consolidated Condensed Financial Statements.

VILLAGE SUPER MARKET, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
(in Thousands) (Unaudited)

|   | 26 Weeks<br>Ended<br>January 29,<br>2011 | 26 Weeks<br>Ended<br>January 23,<br>2010 |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                      |  |  |
| Net income  | \$ 10,550                                | \$ 11,279                                |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |  |
| Depreciation and amortization   | 9,118                                    | 8,033                                    |
| Deferred taxes  | 268                                      | (1,400 )                                 |
| Provision to value inventories at LIFO  | 300                                      | 150                                      |
| Non-cash share-based compensation   | 1,369                                    | 1,555                                    |
| Changes in assets and liabilities:  |  |  |
| Merchandise inventories   | ( 1,636 )                                | (1,571 )                                 |
| Patronage dividend receivable   | 5,023                                    | 3,950                                    |
| Accounts payable to Wakefern  | 981                                      | 1,381                                    |
| Accounts payable and accrued expenses   | 1,194                                    | (170 )                                   |
| Income taxes payable  | 286                                      | 3,822                                    |
| Other assets and liabilities  | 3,869                                    | ( 7 )                                    |
| Net cash provided by operating activities   | 31,322                                   | 27,022                                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                      |  |  |
| Capital expenditures  | ( 7,834 )                                | ( 11,589 )                               |
| Maturity of (investment in) notes receivable from Wakefern                        | (648 )                                   | 15,079                                   |
| Net cash provided by (used in) investing activities                               | ( 8,482 )                                | 3,490                                    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                      |  |  |
| Proceeds from exercise of stock options   | 515                                      | 122                                      |
| Excess tax benefit related to share-based compensation                            | 211                                      | 92                                       |
| Principal payments of long-term debt  | ( 719 )                                  | ( 5,307 )                                |
| Dividends   | (16,798 )                                | ( 5,238 )                                |
| Net cash used in financing activities   | (16,791 )                                | ( 10,331 )                               |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                  | <b>6,049</b>                             | <b>20,181</b>                            |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>                             | <b>69,043</b>                            | <b>54,966</b>                            |
| <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>                                   | <b>\$ 75,092</b>                         | <b>\$ 75,147</b>                         |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH PAYMENTS MADE FOR:</b>                         |  |  |
| Interest  | \$ 2,137                                 |  |