

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-04-02**
SEC Accession No. **0000910195-95-000033**

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FILER

IRONTON IRON INC

CIK: **771176** | IRS No.: **311117407** | State of Incorpor.: **OH** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-17028** | Film No.: **95536225**
SIC: **3320** Iron & steel foundries

Mailing Address
*2859 PACES FERRY RD.
SUITE 1600
ATLANTA GA 30339*

Business Address
*2859 PACES FERRY RD STE
1600
ATLANTA GA 30339
404-431-6000*

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

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the period ended April 2, 1995

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 0-17028

IRONTON IRON, INC.

(Exact name of registrant as specified in its charter)

Ohio

31-1117407

(State or other jurisdiction
of incorporation or
organization)

(I.R.S. Employer
Identification No.)

Suite 1600, 2859 Paces Ferry Road, Atlanta, Georgia 30339

(Address of principal executive offices, including zip code)

(404) 431-6000

(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 X No _

Shares outstanding of each of the issuer's classes of common stock at May 9, 1995: 23,000 shares of Common Stock, no par value.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

<TABLE>

IRONTON IRON, INC.
INTERIM CONDENSED BALANCE SHEETS
(In thousands of dollars)

<CAPTION>

	Dec 31 1994	April 2 1995
-----	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash	\$ 699	\$ 690
Accounts receivable - trade	8,093	9,347
- other	712	815
Inventories	1,313	2,175
Other current assets	26	133
	-----	-----
Total current assets	10,843	13,160
Property, plant and equipment:		
Land	295	295
Buildings and improvements	4,765	4,772
Machinery and equipment	24,240	24,694
Construction in progress	1,010	1,268
	-----	-----
	30,310	31,029
Less accumulated depreciation	9,957	10,842
	-----	-----
	20,353	20,187
Other assets	220	177
	-----	-----
	\$31,416	\$33,524

</TABLE>

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See accompanying notes.

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<TABLE>

IRONTON IRON, INC.
INTERIM CONDENSED BALANCE SHEETS
(In thousands of dollars)

<CAPTION>

	Dec 31 1994 -----	April 2 1995 -----
LIABILITIES AND NET -----		
SHAREHOLDER'S DEFICIENCY -----		
<S>	<C>	<C>
Current liabilities:		
Accounts payable	\$ 5,545	\$ 4,670
Accrued wages and benefits	919	1,468
Accrued workers' compensation	546	485
Other accrued liabilities	1,463	1,577
	-----	-----
Total current liabilities	8,473	8,200
Due to affiliates	37,002	33,341
Redeemable preferred stock	3,038	3,067
Net shareholder's deficiency:		
Common stock	2,000	2,000
Additional paid-in capital	43,523	49,523
Accumulated deficit	(62,620)	(62,607)
	-----	-----
Net shareholder's deficiency	(17,097)	(11,084)
	-----	-----

\$ 31,416

\$ 33,524

=====

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</TABLE>

See accompanying notes.

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<TABLE>

IRONTON IRON, INC.
INTERIM CONDENSED STATEMENTS OF OPERATIONS
(In thousands of dollars)

	Three months ended	
	April 3	April 2
	1994	1995
	-----	-----
<CAPTION>		
<S>	<C>	<C>
Net sales	\$19,354	\$20,232
Cost of sales	18,719	18,772
	-----	-----
Gross profit	635	1,460
Corporate charges from parent companies	1,178	974
	-----	-----
Operating profit (loss)	(543)	486
Other income and expenses:		
Interest income	-	-
Interest expense	(635)	(444)
	-----	-----
	(635)	(444)
	-----	-----
Income (loss) before income taxes	(1,178)	42
Provision for income taxes	-	-
	-----	-----
Net income (loss)	\$(1,178)	\$ 42

</TABLE>

See accompanying notes.

<TABLE>

IRONTON IRON, INC.
 INTERIM CONDENSED STATEMENTS OF CASH FLOWS
 (In thousands of dollars)

<CAPTION>

	Three months ended	
	April 3 1994	April 2 1995
<S>	<C>	<C>
Operating activities:		
Net income (loss)	\$(1,178)	\$ 42
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	823	936
Changes in assets and liabilities:		
Accounts receivable	(1,951)	(1,357)
Inventories	(203)	(862)
Accounts payable and accrued liabilities	2,486	(301)
Other assets and liabilities	(135)	(107)
	-----	-----
Net cash used in operating activities	(158)	(1,649)
Investing activities:		
Additions to property, plant and equipment	(793)	(714)
Other	8	15
	-----	-----
Net cash used in investing activities	(785)	(699)
	-----	-----
Financing activities:		

Increase in due to affiliates	447	2,339
	-----	-----
Net cash provided by financing activities	447	2,339
	-----	-----
Net decrease in cash	(496)	(9)
Cash at beginning of period	508	699
	-----	-----
Cash at end of period	\$ 12	\$ 690
	=====	=====

</TABLE>

See accompanying notes.

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IRONTON IRON, INC.
NOTES TO INTERIM CONDENSED
FINANCIAL STATEMENTS

1. The condensed balance sheet at December 31, 1994 has been derived from audited financial statements. The interim condensed financial statements at April 2, 1995 and for the periods ended April 3, 1994 and April 2, 1995 are unaudited. However, in the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been included. The results of operations for the period ended April 2, 1995 are not necessarily indicative of the results to be expected for the full year.

2. Inventories consist of the following (in thousands of dollars):

<TABLE>

	Dec 31	April 2
	1994	1995
	-----	-----

<CAPTION>

<S>

<C>

<C>

Finished goods	\$ 356	\$ 439
Work in process	400	558
Raw materials	365	835
Supplies and patterns	192	343
	-----	-----
	\$1,313	\$2,175
	=====	=====

</TABLE>

3. Effective January 1, 1995, the Company's parent, Internet Foundries, Inc., contributed \$6,000,000 of intercompany debt to additional paid in capital.

4. Because all common stock of the Company is owned by Internet Foundries, Inc., no loss per common share information is included herein.

Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations

Material Changes in Financial Condition

The Company's financial condition has changed little since December 31, 1994. Although operating results improved over the previous year, the Company remains dependent on its parent companies, Internet Foundries, Inc. and Internet Corporation, for continued financial support.

Material Changes in Results of Operations

The foundry has been operating at or near capacity for more than a year, so net sales showed only a modest increase in the first quarter of 1995 compared to the prior year. Almost half of the current Ford I beam business will phase out beginning in the fourth quarter of 1995. The Company is working to secure replacement business, but has not yet obtained any.

Plant operations have continued a slow improvement, with gross profit rising to 7.2% of sales from 3.3% in the first quarter of 1994. Improved margins led to the Company reporting a small profit in the first quarter of 1995, although cumulative losses since the Company

was acquired by Internet are still in excess of \$53 million.

II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Registrant has entered into negotiations with the Office of the Ohio Attorney General with respect to certain past violations by the Registrant of Ohio water pollution laws and regulations. The Attorney General's office has advised the Registrant that the Registrant could avoid litigation with respect to such violations by entering into a consent order. In April 1995 the Attorney General's office proposed a penalty of approximately \$228,000. The Registrant intends to try to negotiate a lower settlement.

Item 2. Changes in Securities.

None

Item 3. Defaults upon Senior Securities.

None

Item 4. Submission of Matters to a Vote of Securities Holders.

None

Item 5. Other Information.

None

Item 6. Exhibits and Reports on Form 8-K.

(a) The following exhibit is filed as a part of this report:

Exhibit Number	Description
-------------------	-------------

(b) None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IRONTON IRON, INC.

By:/s/ Peter C. Bouxsein

Peter C. Bouxsein
Controller
(Principal Accounting Officer)

DATE: May 10, 1995

EXHIBIT INDEX

Exhibit

Description

27 Financial Data Schedule

<TABLE> <S> <C>

<ARTICLE> 5

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<MULTIPLIER> 1,000

<CURRENCY> U.S. DOLLARS

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