

TRANSCAT INC  
Form 10-K  
June 25, 2015

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

(Mark one)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Fiscal Year Ended: March 28, 2015**

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: 000-03905**

**TRANSCAT, INC.**

*(Exact name of registrant as specified in its charter)*

**Ohio**  
*(State or other jurisdiction of  
incorporation or organization)*

**16-0874418**  
*(I.R.S. Employer  
Identification No.)*

**35 Vantage Point Drive, Rochester, New York 14624**  
*(Address of principal executive offices) (Zip Code)*

**(585) 352-7777**  
*(Registrant's telephone number, including area code)*

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.50 par value	The NASDAQ Global Market

**Securities registered pursuant to Section 12(g) of the Act:**

*None*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 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 Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on September 26, 2014 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$56 million. The market value calculation was determined using the closing sale price of the registrant's common stock on September 26, 2014, as reported on The NASDAQ Global Market.

The number of shares of common stock of the registrant outstanding as of June 22, 2015 was 6,871,683.

### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the Annual Meeting of Shareholders to be held on September 9, 2015 have been incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this report.

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**FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements relate to expectations, estimates, beliefs, assumptions and predictions of future events and are identified by words such as anticipates, believes, estimates, expects, projects, intends, could, may and other similar words. Forward-looking statements are not statements of historical fact and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or those expressed in such forward-looking statements. You should evaluate forward-looking statements in light of important risk factors and uncertainties that may affect our operating and financial results and our ability to achieve our financial objectives. These factors include, but are not limited to, our reliance on one vendor to supply a significant amount of inventory purchases, the risks related to current and future indebtedness, the relatively low trading volume of our common stock, risks related to our acquisition strategy and the integration of the businesses we acquire, the impact of economic conditions, the highly competitive nature of our two business segments, foreign currency rate fluctuations and cybersecurity risks. These risk factors and uncertainties are more fully described by us under the heading Risk Factors in Item IA. of Part I of this report. You should not place undue reliance on our forward-looking statements. Except as required by law, we undertake no obligation to update or publicly announce any revisions to any of the forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

**PART I**

**ITEM 1. BUSINESS**

**BUSINESS OVERVIEW**

Transcat is a leading provider of accredited calibration and compliance services and distributor of professional grade handheld test, measurement and control instrumentation. We are primarily focused on providing our services and products to the life science industries, which include pharmaceutical, biotechnology, medical device manufacturing and other FDA-regulated businesses. We also focus on other industries and customers where accuracy is critical and the risk of failure is very costly. These industries include:

Industrial manufacturing;

Energy and utility;

Chemical manufacturing; and

Other industries which require accuracy in their processes and confirmation of the capabilities of their equipment.

We conduct our business through two operating segments: service ( Service ) and distribution ( Distribution ). See Note 7 to our Consolidated Financial Statements in this report for financial information for these segments. We concentrate on attracting new customers in each segment and on cross-selling to existing customers to increase our total revenue. We serve approximately 17,000 and 22,000 customers through our Service and Distribution segments, respectively, with over 25% of those customers transacting with us through both of our business segments.

Through our Service segment, we offer calibration, compliance and other complementary services. As of our fiscal year ended March 28, 2015 ( fiscal year 2015 ), we operated nineteen calibration service centers ( Calibration Service Centers ) strategically located across the United States, Puerto Rico, and Canada. All of our Calibration Service Centers have obtained ISO/IEC 17025 scopes of accreditation, which are believed to be among the best in the industry. Our accreditations are the cornerstone of our quality program, which we believe to be unequalled in the industry. Our dedication to quality is highly valued by businesses that operate in the industries we serve, particularly those in life science and other FDA-regulated industries, and our accreditations provide our customers with confidence that they will receive a consistent and uniform service, regardless of which of our nineteen Calibration Service Centers completes the service.

Through our Distribution segment, we market, sell and rent national and proprietary brand instruments to customers globally. Our product catalog ( Master Catalog ) and newly redesigned e-commerce-focused website offer access to more than 100,000 test, measurement and control instruments, including products from approximately 120 of the

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industry's leading manufacturers including Fluke, Megger, GE, Emerson, Keysight, Ametek, FLIR and Rosemount. In addition, we are the exclusive worldwide distributor for Transmotion and Altek products. The majority of the instruments we sell and rent require expert calibration service to ensure that they maintain the most precise measurements.

Our commitment to quality goes beyond the services and products we deliver. Our sales, customer service and support teams stand ready to provide expert advice, application assistance and technical support wherever and whenever our customers need it. Since calibration is an intangible service, our customers rely on us to uphold high standards and trust in the integrity of our people and processes.

Among our customers are many Fortune 500/Global 500 companies. Transcat has focused on serving the life science and other FDA-regulated industries, industrial manufacturing, energy and utility, chemical manufacturing and other industries since our founding in 1964. We are a leading supplier of test, measurement and control instrumentation in the markets we serve. We believe our customers do business with us because of our integrity and commitment to quality service, our broad range of product and service offerings, and our asset management system, CalTrak®. In fiscal years 2013 through 2015, no customer or controlled group of customers accounted for 10% or more of our total revenue. The loss of any single customer would not have a material adverse effect on our business, cash flows, balance sheet, or results of operations.

Transcat was incorporated in Ohio in 1964. We are headquartered in Rochester, New York and employ more than 400 people. Our executive offices are located at 35 Vantage Point Drive, Rochester, New York 14624. Our telephone number is 585-352-7777.

## **OUR STRATEGY**

Our two operating segments are highly complementary in that their offerings are of value to customers within the same industries. Our strategy is to leverage the complementary nature of our operating segments in ways that add value for all customers who select Transcat as their source for test and measurement equipment and/or calibration and compliance services. We strive to differentiate ourselves within the markets we serve and build barriers to competitive entry by offering a broad range of the best products and services and integrating our product and service offerings to benefit our customers' operations.

Within the Service segment, our strategy is to focus on customers who rely on accredited calibration services and/or compliance services and value superior quality to maintain the integrity of their processes and/or meet the demands of regulated business environments. We focus on customers who require precise measurement capability for their manufacturing and testing processes to minimize risk, waste and defects. We execute this strategy by leveraging our multiple locations, highly qualified technicians and breadth of capabilities. We differentiate ourselves from our competitors in this segment by maintaining internationally recognized third-party accredited quality systems and proprietary asset management software solutions.

As part of our growth strategy, we have engaged in a number of business acquisitions. During our fiscal year ended March 30, 2013 ( fiscal year 2013 ) through our fiscal year 2015, we completed the following acquisitions:

On March 6, 2015, we acquired substantially all of the assets of Apex Metrology Solutions ( Apex ). Apex is a provider of accredited and commercial calibrations, specializing in 3D metrology services, through its ISO 17025 accredited lab located in Ft. Wayne, Indiana.

On August 31, 2014, we acquired Ulrich Metrology Inc. ( Ulrich ). Headquartered in Montreal, Quebec, Ulrich is a provider of accredited and commercial calibrations throughout Canada that specializes in providing custom metrology solutions for the aerospace and defense, industrial manufacturing and life science industries.

On January 25, 2013, we acquired Cal-Matrix Metrology Inc. ( Cal-Matrix ). Cal-Matrix is a provider of commercial and accredited calibration and coordinate measurement inspection services to customers throughout Canada from its lab in Burlington, Ontario.

On July 16, 2012, we acquired substantially all of the assets of Anacor Compliance Services, Inc. ( Anacor ), a nationally recognized provider of specialized analytical, calibration, validation and remediation services to the life-science sector.

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Our acquisition strategy primarily targets service businesses that expand our geographic reach and leverage our infrastructure while also increasing the depth and/or breadth of our service capabilities. Because our acquisition strategy is focused on service businesses, we expect the growth rate of our Service segment to exceed that of our Distribution segment over the long term.

Our Distribution segment strategy is to be the premier distributor of leading handheld test and measurement equipment. Through our vendor relationships, we have access to more than 100,000 products, which we market to our existing and prospective customers. We continuously evaluate our offerings and add new in-demand vendors and products. In recent years, we have increased our focus on digital marketing and have taken an active approach to improving our website and increasing web traffic. In addition, during our fiscal year ended March 29, 2014 ( fiscal year 2014 ), we began offering our customers the option of renting selected test and measurement equipment, furthering our ability to answer all of our customers' test and measurement equipment needs. We see these initiatives as important to the future growth of our Distribution segment.

We believe our combined Service and Distribution segment offerings, experience, technical expertise and integrity create a unique and compelling value proposition for our customers and intend to continue to grow our business through organic revenue growth and business acquisitions.

## **SEGMENTS**

### **Service Segment**

#### ***Calibration***

Calibration is the act of comparing a unit or instrument of unknown value to a standard of known value and reporting the result in some specifically defined form. After the calibration has been completed, a decision is made, based on rigorously defined parameters, regarding what, if anything, should be done to the unit to conform to the required standards or specifications. The decision may be to adjust, optimize or repair a unit; limit the use, range or rating of a unit; scrap the unit; or leave the unit as is. The purpose of calibration is to significantly reduce the risk of product or process failures caused by inaccurate measurements. Calibration improves an operation's productivity and efficiency to optimal levels by assuring accurate, reliable instruments and processes. Through our Service segment, we perform periodic calibrations (typically ranging from three-month to twenty-four month intervals) on new and used instruments as well as repair services for our customers.

Within the calibration industry, there is a broad array of measurement disciplines making it costly and inefficient for any one provider to invest the needed capital for facilities, equipment and uniquely trained personnel necessary to address all measurement disciplines with in-house calibration capabilities. We perform over 250,000 calibrations annually and can address approximately 90% to 95% of the items requested to be calibrated with our in-house capabilities. For customers' calibration needs in less common and highly technical disciplines, we have historically subcontracted to third-party vendors that have unique or proprietary capabilities. While typically representing less than 20% of our Service segment revenue, the management of these vendors is highly valued by our customers, and our relationships have enabled us to continue our pursuit of having the broadest calibration offerings to these targeted markets.

#### ***Compliance***

Our compliance services include analytical qualification, validation and remediation services. Analytical and validation services provide a comprehensive and highly specialized service offering focused on life science-related industries. Our goal is to deliver specialized technical services with a quality assurance approach, which maximizes document accuracy and on-time job delivery. These industries demand knowledgeable contract services, and Transcat meets these demands with cGMP and GLP compliant services. Companies within these innovative and cutting-edge industries need a reliable alternative to the original equipment manufacturers ( OEMs ) and the generalist service providers who cannot meet their industry-specific needs.

Analytical services are typically based on service agreements for testing, preventative maintenance and repair and tend to generate recurring revenue. Validation services are based on certain customer processes. While specific validation services may not be repeated, we develop relationships with customers who may engage us for multiple unique validation services. Remediation services are based on specific regulatory actions and are generally project-based and required by a customer for a finite period of time. Remediation revenue is not recurring by its nature.

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### ***Other Services***

We provide other services to our customers such as repair, three dimensional parts inspection and consulting services. These services allow us to provide one-stop shopping for our customers.

During fiscal year 2015, services completed by our staff of highly trained technicians represented 82% of our Service revenue while approximately 16% of our Service revenue was derived from services that were subcontracted to third-party vendors, and the remaining 2% was associated with other billings. Our Service segment accounted for 42% of our total revenue in fiscal year 2015.

### ***Strategy***

Our Service segment provides periodic calibration and compliance services for our customers' test and measurement instruments and other equipment. We specifically target industries and companies that are regulated by the FDA or other regulatory bodies and, as a result, require quality calibration and compliance services as a critical component of their business operations. As a result of the various levels of regulation within our target industries, calibration and compliance service sourcing decisions are generally made based on the provider's quality systems, accreditation, reliability, trust, customer service and documentation of services. To maintain our competitive position in this segment, we maintain internationally recognized third-party accredited quality systems, further detailed in the section entitled "Quality" below, and provide our customers with access to proprietary asset management software solutions, which offer tools to manage their internal calibration programs and provide them with visibility to their service records. The breadth of our suite of calibration and compliance services also differentiates us from our competitors by allowing us to be our customers' one-source solution for their entire calibration and compliance programs.

Transcat's calibration services strategy encompasses multiple ways to manage a customer's calibration and compliance service needs:

- 1) We offer an Integrated Calibration Services Solution that provides a complete wrap-around service, which can be delivered in the following ways:

permanent on-site: Transcat establishes and manages a calibration service program within a customer's facility;

periodic on-site services: Transcat technicians travel to a customer's location and provide bench-top or in-line calibration or compliance services on predetermined service cycles;

in-house services: services are performed at one of our Calibration Service Centers (often accompanied by pick-up and delivery services); and

mobile calibration: services completed on customer's property within our mobile calibration unit.

- 2) For companies that maintain an internal calibration operation, we can provide:

calibration of primary standards; and

overflow capability, either on-site or at one of our Calibration Service Centers, during periods of high demand.

Inclusive with all these services, we provide total program management including logistical and consultation services when needed.

We strive to provide the broadest accredited calibration offering to our targeted markets, which includes certification of our technicians pursuant to the American Society for Quality standards, complete calibration management encompassing the entire metrology function, and access to our complementary service and product offerings. We believe our calibration services are of the highest technical and quality levels, with broad ranges of accreditation.

Our compliance services strategy is to identify and establish long-term relationships with customers who require analytical, validation, and/or remediation services. In most cases, these customers are life science companies, including pharmaceutical and biotechnology companies and medical device manufacturers, which are subject to extensive government regulation. The services we provide to these regulated customers are typically a critical component of the customer's overall compliance program. Because many compliance service customers operate in regulated

industries,



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these same customers typically also require accredited calibration services. This requirement allows a natural synergy between our compliance and calibration services. Our strategy includes cross-selling our services within our customer accounts to maximize our revenue opportunities with each customer.

***CalTrak®***

CalTrak® is our proprietary documentation and asset management software which is used to manage both the workflow of our Calibration Service Centers and our customers' assets. With CalTrak®, we are able to provide our customers with timely and consistent calibration service while optimizing our own efficiencies. CalTrak® has been validated to U.S. federal regulations 21 CFR 820.75 and 21 CFR 11, as applicable. This validation is important to pharmaceutical and other FDA-regulated industries where federal regulations can be particularly stringent.

Additionally, CalTrak® Online provides our customers with web-based asset management capability and a safe and secure off-site archive of calibration and other service records that can be accessed 24 hours a day through our secure password-protected website. Through CalTrak® and CalTrak® Online, each customer calibration is tracked and automatically cross-referenced to the assets used to perform the calibration, providing traceability.

In fiscal year 2015, we added a new, mobile-device compatible, version of CalTrak® Online. This new software, Cost, Control and Compliance Management by Transcat ( C3 ), was developed with a focus on enhancing ease of use and customer self-serve ability. C3 furthers our integration into our customers' day-to-day work flow, specifically with enterprise customers, who generally have unique asset management and/or service requirements. Over time, we expect C3 to replace CalTrak® Online. C3 has been validated to U.S. federal regulations 21 CFR 820.75 and 21 CFR 11, as applicable.

***Marketing and Sales***

Under our integrated sales model, we have both inside and outside sales teams that seek to acquire new customers in our targeted markets. We also have a team of account managers, focused on servicing the needs of our existing customers. In addition, we employ print media, trade shows and web-based initiatives to market our services to customers and prospective customers with a strategic focus in the highly regulated industries including life science and other FDA-regulated industries, energy and utilities, and chemical manufacturing. We also target industrial manufacturing and other industries that appreciate the value of quality calibrations. Our quality process and standards are designed to meet the needs of companies that must address regulatory requirements and/or have a strong commitment to quality and a comprehensive calibration and compliance program.

The approximate percentage of our Service revenue by industry type for the periods indicated are as follows:

	FY 2015	FY 2014	FY 2013
Life Science/FDA-regulated	32%	34%	34%
Industrial Manufacturing	29%	28%	29%
Energy/Utilities	8%	8%	8%
Chemical Manufacturing	7%	7%	7%
Other	24%	23%	22%
Total	100%	100%	100%

***Competition***

The calibration services industry is highly fragmented and is composed of companies ranging from internationally recognized and accredited corporations, such as Transcat, to non-accredited, sole proprietors as well as companies that perform their own calibrations in-house, resulting in a tremendous range of service levels and capabilities. A large percentage of calibration companies are small businesses that may not have a range of capabilities as broad as ours. There are also several companies with whom we compete that have national or regional operations. We differentiate ourselves from our competitors by demonstrating our commitment to quality and by having a wide range of capabilities that are tailored to the markets we serve. Customers see the value in using our unique CalTrak® Online and C3 asset and data management programs to monitor their instruments' status, history and performance data. We are fundamentally different from most of our competitors because we have the ability to bundle product, calibration, compliance and other services as a single source for our customers.



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Competition for compliance services is composed of both small local and regional service providers and large multi-national OEMs. While we are financially strong and larger than many of the small local and regional competitors, the large OEMs are generally much larger than we are. We believe our competitive advantages in the compliance services market are our financial and technical resources, turnaround time, and flexibility to react quickly to customers' needs.

### ***Quality***

The accreditation process is the only system currently in existence that validates measurement competence. To ensure that the quality and consistency of our customer calibrations are consistent with the global metrology network, designed to standardize measurements worldwide, we have sought and achieved international levels of quality and accreditation. Our Calibration Service Centers are accredited to ISO/IEC 17025:2005 by National Voluntary Laboratory Accreditation Program (NVLAP) and other accrediting bodies. These accrediting bodies are signatories to the International Laboratory Accreditation Cooperation (ILAC), are proficient in the technical aspects of the chemistry and physics that underlie metrology, and provide an objective, third party, internationally accepted evaluation of the quality, consistency, and competency of our calibration processes. Accreditation also requires that all measurement standards used for accredited measurements have a fully documented path, known as Metrological Traceability, through the National Institute of Standards and Technology or the National Research Council (these are the National Measurement Institutes for the United States and Canada, respectively) or to other national or international standards bodies, or to measurable conditions created in our Calibration Service Center, or accepted fundamental and/or natural physical constants, ratio type of calibration, or by comparison to consensus standards, all inclusive of measurement uncertainties.

The importance of this international oversight to our customers is the assurance that our service documentation will be accepted worldwide, removing one of the barriers to trade that they may experience if using a non-ILAC traceable calibration service provider. To provide the widest range of services to our customers in our target markets, our ISO/IEC 17025:2005 accreditations extend across many technical disciplines, including working-level and reference-level capabilities. We believe our scope of accreditation to ISO/IEC 17025:2005 to be the broadest for the industries we serve.

Our scopes of accreditation can be found at <http://www.transcat.com/calibration-services/commitment-to-excellence/lab-certificates>.

### **Distribution Segment**

#### ***Summary***

Our customers use test and measurement instruments to ensure that their processes, and ultimately their end products, are within specification. Utilization of such diagnostic instrumentation also allows for continuous improvement processes to be in place, increasing the accuracies of their measurements. The industrial test and measurement instrumentation market, in those geographic areas where we predominately operate, has historically been serviced by broad-based national equipment distributors and niche or specialty-focused organizations such as Transcat. In recent years, internet-based distributors have become more prevalent. To more effectively compete with these new market entrants, we have developed a new website with enhanced e-commerce capabilities that launched in the third quarter of fiscal year 2015.

Most industrial customers find that maintaining an in-house inventory of back-up test and measurement instruments is cost prohibitive. As a result, the distribution of test and measurement instrumentation has traditionally been characterized by frequent, small-quantity orders combined with a need for rapid, reliable, and complete order fulfillment. The majority of the products we distribute are not consumables, but are purchased as replacements, upgrades, or for expansion of manufacturing and research and development facilities. As a result, we evaluate Distribution sales trends over a twelve-month period, as any individual month's or quarter's sales can be impacted by numerous factors, many of which are unpredictable and potentially non-recurring.

We believe that a customer chooses a distributor based on a number of different criteria, including the timely delivery and accuracy of orders, consistent product quality, the technical competence of the representative serving them, value-added services, as well as price. The decision to buy is generally made by plant engineers, quality managers, or

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their purchasing personnel, and products are typically obtained from one or more distributors. Our Master Catalog, supplemental mailings, website, e-newsletters, and other sales and marketing activities are designed to maintain a constant presence in front of our customers to ensure we receive the order when they are ready to purchase.

We provide our customers with value-added services including technical support, to ensure our customer receives the right product for their specific need through application knowledge and product compatibility, and the option to have calibration service performed on their new product purchases prior to shipment. We also offer online procurement, same day shipment of in-stock items, a variety of custom product offerings and training programs. Because of the breadth of our product and service offerings, we are often a one-stop shop for our customers who gain operational efficiency by dealing with just one distributor for most or all of their test and measurement instrumentation needs.

Our Distribution segment accounted for 58% of our total revenue in fiscal year 2015. Within the Distribution segment, our routine business is composed of customers who place orders to acquire new instrumentation or to upgrade or replace old instrumentation. Our average Distribution order is approximately \$2,000. Items are regularly added to and deleted from our product offerings on the basis of customer demand, recommendations of suppliers, sales volumes and other factors.

## ***Marketing and Sales***

We market and sell to our customers through multiple sales channels consisting of direct marketing, our website and other web-based advertising, proactive outbound sales, and an inbound call center. Our outbound and inbound sales teams are staffed with technically trained personnel who are available to help guide product selection. Alternately, customers may purchase products through our website at *transcat.com*. Our website serves as a sales channel for our services and products, and provides product availability, detailed product information, search capability, demo videos and downloadable product specification sheets.

Through our annual Master Catalog, periodic supplemental catalogs, website, e-newsletters, and other direct sales and marketing programs, we offer our customers a broad selection of highly recognized branded products at competitive prices. The instruments typically range in price from \$100 to over \$25,000.

During fiscal year 2015, we circulated over 1.4 million pieces of direct marketing materials including catalogs, brochures, supplements and other promotional materials. We also disseminated approximately 3.0 million e-newsletters to our existing and prospective customers. Some of the key factors that determine the number of catalogs and other direct marketing materials sent to each customer include new product introductions, their market segments and the timing, frequency and monetary value of past purchases.

As a result of strong relationships with our product vendors and our historical performance of effectively marketing, we have the opportunity to carry out co-branded marketing initiatives, aimed at our existing customers and our prospective customer base, for which we receive cooperative advertising income. These co-branded marketing initiatives typically feature specific vendors, new products or targeted product categories and take the form of direct mailers, web-based initiatives or outbound sales efforts.

## ***Competition***

The distribution market for industrial test and measurement instrumentation is quite fragmented and highly competitive. Our competitors range from large national distributors and manufacturers that sell directly to customers to small local distributors. In addition, web-based distributors have become more prevalent in recent years and are increasing their market share. Key competitive factors typically include customer service and support, quality, turnaround time, inventory availability, brand recognition and price. To address our customers' needs for technical support and product application assistance, and to differentiate ourselves from competitors, we employ a staff of highly trained technical sales specialists. In order to maintain this competitive advantage, technical training is an integral part of developing our sales staff.

To stay ahead of growing competition from web-based distributors and the general trend of increased use of e-commerce, we launched a significantly redesigned website during fiscal year 2015. Improvements made to our website are focused around enhancing customer experience through ease of use, better browsing and search functions, increased content capabilities and recommendations for complementary products and services. Additionally, our new website platform allows us greater flexibility and scalability and enhances our ability to react quickly to changes in the marketplace.

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### ***Suppliers and Purchasing***

We believe that effective purchasing is a key element to maintaining and enhancing our position as a provider of high quality test and measurement instruments. We frequently evaluate our purchase requirements and suppliers' offerings to obtain products at the best possible cost. We obtain our products from approximately 450 suppliers of brand name and private-labeled equipment. In fiscal year 2015, our top 10 vendors accounted for approximately 63% of our aggregate Distribution business. Approximately one-third of our product purchases on an annual basis are from Fluke Electronics Corporation ( Fluke ), which we believe to be consistent with Fluke's share of the markets we serve.

We plan our product mix and inventory stock to best serve the anticipated needs of our customers whose individual purchases vary in size. We can usually ship to our customers our top selling products the same day they are ordered.

### ***Vendor Rebates***

We have agreements with certain product vendors that allow for rebates based on meeting a specified cumulative level of purchases and/or incremental distribution sales. These rebates are recorded as a reduction of cost of distribution sales. Purchase rebates are calculated and recorded quarterly based upon our volume of purchases with specific vendors during the quarter. Point of sale rebate programs that are based on year-over-year sales performance on a calendar year basis are recorded as earned, on a quarterly basis, based upon the estimated level of annual achievement. Point of sale rebate programs that are based on year-over-year sales performance on a quarterly basis are recorded as earned in the respective quarter.

### ***Operations***

Our distribution operations primarily take place within an approximate 37,250 square-foot facility in Rochester, New York and a 12,600 square-foot facility in Portland, Oregon. The Rochester location also serves as our corporate headquarters; houses our customer service, sales and administrative functions; and is a Calibration Service Center. The Portland location also is a Calibration Service Center. In fiscal year 2015, we shipped approximately 35,000 product orders, in the aggregate, from both locations. In addition, we have two warehouse facilities in Wisconsin that fulfill orders for scales.

### ***Distribution***

We distribute our products throughout North America and internationally from our distribution centers. We maintain appropriate inventory levels in order to satisfy anticipated customer demand for prompt delivery and complete order fulfillment of their product needs. These inventory levels are managed on a daily basis with the aid of our sophisticated purchasing and stock management information system. Our automated laser bar code scanning facilitates prompt and accurate order fulfillment and freight manifesting.

### ***Backlog***

Distribution orders include orders for instruments that we routinely stock in our inventory, customized products, and other products ordered less frequently, which we do not stock. Pending product shipments are primarily backorders, but also include products that are requested to be calibrated in one of our Calibration Service Centers prior to shipment, orders required to be shipped complete or at a future date, and other orders awaiting final credit or management review prior to shipment.

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The following graph shows the quarter-end trend of pending product shipments and backorders for fiscal years 2013 through 2015:

**CUSTOMER SERVICE AND SUPPORT**

Our breadth of products and services along with our strong commitment to customer service and support enable us to satisfy our customers needs through convenient selection and ordering; rapid, accurate, and complete order fulfillment; and on-time delivery.

Key elements of our customer service approach are our field sales team, outbound sales team, account management team, inbound sales and customer service organization. Most customer orders are placed through our customer service organization. To ensure the quality of service provided, we frequently monitor our customer service through customer surveys, call monitoring and daily statistical reports.

Customers may place orders via:

Mail to Transcat, Inc., 35 Vantage Point Drive, Rochester, NY 14624;

Fax at 1-800-395-0543;

Telephone at 1-800-828-1470;

Email at *sales@transcat.com*; or

Online at *transcat.com*.

**INFORMATION REGARDING EXPORT SALES**

In fiscal years 2013 through 2015, approximately 10% of our total revenue resulted from sales to customers outside the United States. Of those sales in fiscal year 2015, approximately 20% were denominated in U.S. dollars and the remaining 80% were in Canadian dollars. Our revenue is subject to the customary risks of operating in an international environment, including the potential imposition of trade or foreign exchange restrictions, tariff and other tax increases, fluctuations in exchange rates and unstable political situations, any one or more of which could have a material adverse effect on our business, cash flows, balance sheet or results of operations. See Foreign Currency in Item 7A. of Part II and Note 7 to our Consolidated Financial Statements in this report for further details.

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**INFORMATION SYSTEMS**

We utilize a turnkey enterprise software solution from Infor, Inc. called Application Plus to manage our business and operations segments. This software includes a suite of fully integrated modules to manage our business functions, including customer service, warehouse management, inventory management, financial management, customer relations management and business intelligence. This solution is a fully mature business package and has been subject to more than 20 years of refinement. We utilize customer relationship management ( CRM ) software offered by SalesForce. com, Inc., which is strategically partnered with Infor, Inc., allowing us to fully integrate the CRM software with our Infor enterprise software.

We also utilize CalTrak®, our proprietary document and asset management system, to manage documentation, workflow and customers assets within and amongst our calibration service centers. In addition to functioning as an internal documentation, workflow, and asset management system, CalTrak®, through CalTrak® Online and C3, provides customers with web-based calibration cycle management service and access to documentation relating to services completed by Transcat.

**INTELLECTUAL PROPERTY**

We have federally registered trademarks for Transcat® and CalTrak®, which we consider to be of material importance to our business. The registrations for these trademarks encompass multiple classes, and the registrations are in good standing with the U.S. Patent & Trademark Office. Our CalTrak® trademark is also registered in Canada for one class with the Canada Intellectual Property Office. Our trademark registrations must be renewed at various times and we intend to renew our trademarks, as necessary, for the foreseeable future.

In addition, we own *www.transcat.com*. As with phone numbers, we do not have and cannot acquire any property rights to an Internet address. The regulation of domain names in the United States and in other countries is also subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we might not be able to maintain our domain names or obtain comparable domain names, which could harm our business.

**SEASONALITY**

We believe that our business has certain historical seasonal factors. Historically, our fiscal third and fourth quarters have been stronger than our fiscal first and second quarters due to industrial operating cycles.

**ENVIRONMENTAL MATTERS**

We believe that compliance with federal, state, or local provisions relating to the protection of the environment will not have any material effect on our capital expenditures, earnings, or competitive position.

**EMPLOYEES**

At the end of fiscal year 2015, we had 443 employees, including 16 part-time employees, compared with 407 employees, including 6 part-time employees, at the end of fiscal year 2014.

**MANAGEMENT TEAM**

The following table presents certain information regarding our management team, including our executive officers and certain key employees as of March 28, 2015:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Lee D. Rudow	50	President and Chief Executive Officer
John J. Zimmer	56	Senior Vice President of Finance and Chief Financial Officer
Michael P. Craig	61	Vice President of Human Resources
Michael W. West	44	Vice President of Marketing
Rainer Stellrecht	64	Vice President of Laboratory Operations
Jay F. Woychick	58	Vice President of Inside Sales

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Scott D. Sutter	44	Vice President of Sales
Robert A. Flack	45	Vice President of Business Development
Derek C. Hurlburt	46	Corporate Controller



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### **AVAILABLE INFORMATION**

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, therefore, we file periodic reports, proxy statements and other information with the United States Securities and Exchange Commission ( SEC ). Such reports may be read and copied at the Public Reference Room of the SEC at 100 F Street NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. Additionally, the SEC maintains a website (sec.gov) that contains reports, proxy statements and other information for registrants that file electronically.

We maintain a website at *transcat.com*. We make available, free of charge, in the Investor Relations section of our website, documents we file with or furnish to the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports. We make this information available as soon as reasonably practicable after we electronically file such materials with, or furnish such information to, the SEC. The other information found on our website is not part of this or any other report we file with, or furnish to, the SEC.

We also post on our website our board of directors' committee charters (audit committee, compensation committee and corporate governance and nominating committee), and Code of Ethics. Copies of such documents are available in print at no charge to any shareholder who makes a request. Such requests should be made to our corporate secretary at our corporate headquarters, 35 Vantage Point Drive, Rochester, New York 14624.

### **ITEM 1A. RISK FACTORS**

You should consider carefully the following risks and all other information included in this report. The risks and uncertainties described below and elsewhere in this report are not the only ones facing our business. If any of the following risks were to actually occur, our business, financial condition or results of operations would likely suffer. In that case, the trading price of our common stock could fall and you could lose all or part of your investment.

***We depend on manufacturers to supply inventory to our Distribution segment and rely on one vendor to supply a significant amount of our inventory purchases. If our vendor fails to provide desired products to us, increases prices, or fails to timely deliver products, our revenue and gross profit could suffer.*** A significant amount of our inventory purchases are made from one vendor, Fluke. Our reliance on this vendor leaves us vulnerable to having an inadequate supply of required products, price increases, late deliveries, and poor product quality. Like other distributors in our industry, we occasionally experience supplier shortages and are unable to purchase our desired volume of products. If we are unable to enter into and maintain satisfactory distribution arrangements with leading manufacturers, if we are unable to maintain an adequate supply of products, or if manufacturers do not regularly invest in, introduce to us, and/or make new products available to us for distribution, our Distribution segment sales could suffer considerably. Finally, we cannot provide any assurance that particular products, or product lines, will be available to us, or available in quantities sufficient to meet customer demand. This is of particular significance to our Distribution segment business because the products we sell are often only available from one source. Any limits to product access could materially and adversely affect our Distribution segment business.

***Our future success may be affected by future indebtedness.*** Under our revolving credit facility, as of March 28, 2015, we owed \$12.2 million to our secured creditor. We may borrow additional funds in the future to support our growth and working capital needs. We are required to meet financial tests on a quarterly basis and comply with other covenants customary in secured financings. Although we believe that we will continue to comply with such covenants, if we do not remain in compliance with such covenants, our lender may demand immediate repayment of amounts outstanding. Changes in interest rates may have a significant effect on our payment obligations and operating results. Furthermore, we are dependent on credit from manufacturers of our products to fund our inventory purchases. If our debt burden increases to high levels, such manufacturers may restrict our credit. Our cash requirements will depend on numerous factors, including the rate of growth of our revenues, the timing and levels of products purchased, payment terms, and credit limits from manufacturers, the timing and level of our accounts receivable collections and our ability to manage our business profitably. Our ability to satisfy our existing obligations, whether or not under our secured credit facility, will depend upon our future operating performance, which may be impacted by prevailing economic conditions and financial, business, and other factors described in this report, many of which are beyond our control.

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***The relatively low trading volume of our common stock may limit your ability to sell your shares.*** Although our shares of common stock are listed on The NASDAQ Global Market, we have historically experienced a relatively low trading volume. If our low trading volume continues in the future, holders of our shares may have difficulty selling a large number of shares of our common stock in the manner or at a price that might otherwise be attainable.

***If significant existing shareholders sell large numbers of shares of our common stock, our stock price could decline.*** The market price of our common stock could decline if a large number of our shares are sold in the public market by our existing shareholders or holders of stock options or as a result of the perception that these sales could occur. Due to the low trading volume of our common stock, the sale of a large number of shares of our common stock may significantly depress the price of our common stock.

***We expect that our quarterly results of operations will fluctuate. Such fluctuation could cause our stock price to decline.*** A large portion of our expenses for our Service segment, including expenses for facilities, equipment and personnel are relatively fixed. Accordingly, if revenues decline or do not grow as we anticipate, we may not be able to correspondingly reduce our operating expenses in any particular quarter. Our quarterly revenues and operating results have fluctuated in the past and are likely to do so in the future. Historically, our fiscal third and fourth quarters have been stronger than our fiscal first and second quarters due to industrial operating cycles. Fluctuations in industrial demand for products we sell and services we provide could cause our revenues and operating results to fluctuate. If our operating results in some quarters fail to meet the expectations of stock market analysts and investors, our stock price may decline.

***Our stock price may be volatile.*** The stock market, from time to time, has experienced significant price and volume fluctuations that are both related and unrelated to the operating performance of companies. As our stock may be affected by market volatility, and by our own performance, the following factors, among others, may have a significant effect on the market price of our common stock:

Developments in our relationships with current or future manufacturers of products we distribute;

Announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;

Litigation or governmental proceedings or announcements involving us or our industry;

Economic and other external factors, such as disasters or other crises;

Sales of our common stock or other securities in the open market;

Repurchases of our common stock on the open market or in privately-negotiated transactions;

Period-to-period fluctuations in our operating results; and

Our ability to satisfy our debt obligations.

***Our acquisitions or future acquisition efforts, which are important to our growth, may not be successful, which may limit our growth or adversely affect our results of operations and financial condition.*** Acquisitions have been an important part of our growth to date. As part of our business strategy, we may make additional acquisitions of companies that could complement or expand our business, augment our market coverage, provide us with important relationships or otherwise offer us growth opportunities. If we identify an appropriate acquisition candidate, we may not be able to negotiate successfully the terms of or finance the acquisition. In addition, we cannot assure you that we will be able to integrate the operations of our acquisitions without encountering difficulties, including unanticipated costs, possible difficulty in retaining customers and supplier or manufacturing relationships, failure to retain key employees, the diversion of our management's attention or failure to integrate our information and accounting systems. We may not realize the revenues and cost savings that we expect to achieve or that would justify the investments, and we may incur costs in excess of what we anticipate. To effectively manage our expected future growth, we must continue to successfully manage our integration of the companies that we acquire and continue to improve our operational systems, internal procedures, accounts receivable and management, financial and operational controls. If we fail in any of these areas, our business growth and results of operations could be adversely affected.

***Any impairment of goodwill or other intangible assets could negatively impact our results of operations.*** Our goodwill and other intangible assets are subject to an impairment test on an annual basis and are also tested whenever events and circumstances indicate that goodwill and/or intangible assets may be impaired. Any excess goodwill



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and/or indefinite-lived intangible assets value resulting from the impairment test must be written off in the period of determination. Intangible assets (other than goodwill and indefinite-lived intangible assets) are generally amortized over the useful life of such assets. In addition, from time to time, we may acquire or make an investment in a business that will require us to record goodwill based on the purchase price and the value of the acquired tangible and intangible assets. We may subsequently experience unforeseen issues with the businesses we acquire, which may adversely affect the anticipated returns of the business or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for such business. Future determinations of significant write-offs of goodwill or intangible assets because of an impairment test or any accelerated amortization of other intangible assets could have a material negative impact on our results of operations and financial condition. We have completed our annual impairment analysis for goodwill and indefinite-lived intangible assets, in accordance with the applicable accounting guidance, and have concluded that we do not have any impairment of goodwill or other intangible assets as of March 28, 2015.

***The financing of any future acquisitions we make may result in dilution to your stock ownership and/or could increase our leverage and our risk of defaulting on our bank debt.*** Our business strategy includes expansion into new markets and enhancement of our position in existing markets, including through acquisitions. In order to successfully complete targeted acquisitions, we may issue additional equity securities that could dilute your stock ownership. We may also incur additional debt if we acquire another company, which could significantly increase our leverage and our risk of default under our existing credit facility.

***Adverse changes in general economic conditions or uncertainty about future economic conditions could adversely affect us.*** We are subject to the risks arising from adverse changes in general economic market conditions. Uncertainty about future economic conditions could negatively affect our current and prospective customers causing them to delay the purchase of necessary services or test and measurement instruments. Poor economic conditions could harm our business, financial condition, operating results and cash flow.

***The industries in which we compete are highly competitive, and we may not be able to compete successfully.*** Within our Service segment, we provide calibration services and compete in an industry that is highly fragmented and is composed of companies ranging from internationally recognized and accredited corporations to non-accredited, sole proprietors, resulting in a tremendous range of service levels and capabilities. Also, within our Service segment, we provide compliance services and compete in an industry that is composed of both small local and regional service providers and large multi-national companies who are also OEMs. Within our Service segment, some of our larger competitors may have broader service capabilities and may have greater name recognition than us. Some manufacturers of the products we sell may also offer calibration and compliance services for their products.

Within our Distribution segment, we compete with numerous companies, including several major manufacturers and distributors. Most of our products are available from several sources and our customers tend to have relationships with several distributors. Competitors in the distribution industry could also obtain exclusive rights to market particular products, which we would then be unable to market. Manufacturers could also increase their efforts to sell directly to end-users and bypass distributors like us. Industry consolidation among distributors, the unavailability of products, whether due to our inability to gain access to products or interruptions in supply from manufacturers, or the emergence of new competitors could also increase competition and adversely affect our business or results of operations.

In each of the industries in which we compete, some of our competitors have greater financial and other resources than we do, which could allow them to compete more successfully. In the future, we may be unable to compete successfully and competitive pressures may reduce our sales.

***Our Service segment has a high concentration of customers in the life science and other FDA-regulated and industrial manufacturing industries.*** Most of our Service segment customers operate in the life science and other FDA-regulated or industrial manufacturing industries. This concentration of our customer base affects our overall risk profile, since a significant portion of our customers will be similarly affected by changes in economic, political, regulatory, and other industry conditions. We anticipate that our Service segment will continue to grow and comprise a greater percentage of our total revenue, which will increase our exposure to fluctuations in the life science and other FDA-regulated or industrial manufacturing industries. An abrupt or unforeseen change in conditions in these industries could adversely affect customer demand for our services, which could have a material adverse effect on our financial results.

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***We rely on our CalTrak®, Application Plus and other management information systems for inventory management, distribution, workflow, accounting and other functions. If our CalTrak®, Application Plus and other management information systems fail to adequately perform these functions, experience an interruption in their operation or a security breach, our business and results of operations could be adversely affected.*** The efficient operation of our business depends on our management information systems. We rely on our CalTrak®, Application Plus and other management information systems to effectively manage accounting and financial functions, customer service, warehouse management, order entry, order fulfillment, inventory replenishment, documentation, asset management, and workflow. Our management information systems are vulnerable to damage or interruption from computer viruses or hackers, natural or man-made disasters, vandalism, terrorist attacks, power loss, or other computer systems, internet, telecommunications or data network failures. Any such interruptions to our management information systems could disrupt our business and could result in decreased revenues, increased overhead costs, excess inventory and product shortages, causing our business and results of operations to suffer. In addition, our management information systems are vulnerable to security breaches. Our security measures or those of our third-party service providers may fail to detect or prevent such security breaches. Security breaches could result in the unauthorized publication of our confidential business or proprietary information, the unauthorized release of customer, vendor, or employee data and payment information, the violation of privacy or other laws, and the exposure to litigation, any of which could harm our business and results of operations.

***If we fail to adapt our technology to meet customer needs and preferences, the demand for our products and services may diminish.*** Our future success will depend on our ability to develop services and solutions that keep pace with technological change, evolving industry standards and changing customer preferences in the markets we serve. We cannot be sure that we will be successful in adapting existing or developing new technology or services in a timely or cost-effective manner or that the solutions we do develop will be successful in the marketplace. Our failure to keep pace with changes in technology, industry standards and customer preferences in the markets we serve could diminish our ability to retain and attract customers and our competitive position, which could adversely impact our business and results of operations.

***We face risks associated with foreign currency rate fluctuations.*** We currently transact a portion of our business in foreign currencies, namely the Canadian dollar. During fiscal years 2015 and 2014, less than 10% of our total revenues were denominated in Canadian dollars.

Conducting business in currencies other than U.S. dollars subjects us to fluctuations in currency exchange rates that could have a negative impact on our reported operating results. Fluctuations in the value of the U.S. dollar relative to the Canadian dollar impacts our revenues, cost of revenues and operating margins and result in foreign currency transaction gains and losses. During fiscal years 2015 and 2014, the value of the U.S. dollar relative to one Canadian dollar ranged from 1.06 to 1.28 and from 1.00 to 1.12, respectively.

We continually utilize short-term foreign exchange forward contracts to reduce the risk that our earnings would be adversely affected by changes in currency exchange rates. However, this strategy does not eliminate our exposure. If there is a significant or prolonged downturn in the Canadian dollar, it could have an adverse impact on our business and financial condition.

***If we fail to attract qualified personnel, we may not be able to achieve our stated corporate objectives.*** Our ability to manage our anticipated growth, if realized, effectively depends on our ability to attract and retain highly qualified executive officers and technical personnel. If we fail to attract and retain qualified individuals, we will not be able to achieve our stated corporate objectives.

***Our revenue depends on retaining capable sales personnel and highly skilled service technicians as well as maintaining existing relationships with key customers, key vendors and manufacturers of the products that we distribute.*** Our future operating results depend on our ability to maintain satisfactory relationships with qualified sales personnel and skilled service technicians as well as key customers, vendors and manufacturers who appreciate the value of our services. If we fail to maintain our existing relationships with such persons or fail to acquire relationships with such key persons in the future, our business and results of operations may be adversely affected.

***Our future success is substantially dependent upon our senior management.*** Our future success is substantially dependent upon the efforts and abilities of members of our existing senior management. Competition for senior management is intense, and we may not be successful in attracting and retaining key personnel, the inability of which could have an adverse effect on our business and results of operations.

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***Tax legislation initiatives could adversely affect the Company's net earnings and tax liabilities.*** We are subject to the tax laws and regulations of the United States federal, state and local governments, as well as foreign jurisdictions. From time to time, various legislative initiatives may be enacted that could adversely affect our tax positions. There can be no assurance that our effective tax rate will not be adversely affected by these initiatives. In addition, tax laws and regulations are extremely complex and subject to varying interpretations. Although we believe that our historical tax positions are sound and consistent with applicable laws, regulations and existing precedent, there can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

***As a smaller reporting company, we are not required to comply with the auditor attestation requirement under Section 404(b) of the Sarbanes-Oxley Act, which may cause investors to have less confidence in our internal control over financial reporting.*** The auditor attestation requirement under Section 404(b) of the Sarbanes-Oxley Act provides that a public company's independent auditor must attest to and report on management's internal control over financial reporting. Because we qualify as a smaller reporting company under the applicable SEC regulation, we are not required to comply with the auditor attestation requirement. The lack of an auditor attestation concerning management's internal control over financial reporting may cause investors to have less confidence in our internal control over financial reporting and increases the risk that any material weakness or other deficiencies in our internal controls will not be detected.

***Changes in accounting standards, legal requirements and The NASDAQ stock market listing standards, or our ability to comply with any existing requirements or standards, could adversely affect our operating results.*** Extensive reforms relating to public company financial reporting, corporate governance and ethics, The NASDAQ Stock Market listing standards and oversight of the accounting profession have been implemented over the past several years and continue to evolve. Compliance with these rules, regulations and standards that have resulted from such reforms has increased our accounting and legal costs and has required significant management time and attention. In the event that additional rules, regulations or standards are implemented or any of the existing rules, regulations or standards to which we are subject undergoes additional material modification, we could be forced to spend significant financial and management resources to ensure our continued compliance, which could have an adverse effect on our results of operations. In addition, although we believe we are in full compliance with all such existing rules, regulations and standards, should we be or become unable to comply with any of such rules, regulations and standards, as they presently exist or as they may exist in the future, our results of operations could be adversely effected and the market price of our common stock could decline.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

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**ITEM 2. PROPERTIES**

The following table presents our leased properties as of March 28, 2015:

<b>Property</b>	<b>Location</b>	<b>Approximate Square Footage</b>
Corporate Headquarters, Distribution Center and Calibration Service Center	Rochester, NY	37,250
Calibration Service Center	Anaheim, CA	12,000
Calibration Service Center	Boston, MA	4,000
Calibration Service Center	Burlington, ON	14,152
Calibration Service Center	Charlotte, NC	4,860