

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re School Specialty, Inc. et al

Case No. 13-10125 (KJC)
Reporting Period: May 26, 2013 - June 29, 2013

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

	Form No.	Document Attached	Explanation Attached	Affadavit Attached
Schedule of Cash Disbursements by Legal Entity	MOR-1a	X		
Schedule of Cash Disbursements for Calculating US Trustee Fee	MOR-1a.a	X		
Declaration Regarding the Cash Disbursement Schedule	MOR-1a(Dec)		X	
Schedule of Professional Fees Paid	MOR-1b	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1c		X	
Copies of bank statements				
Cash disbursements journals				
Schedule of Bank Accounts with Book Balances	MOR-1d	X		
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Statement of Postpetition Taxes	MOR-4		X	
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Consolidated Aging of Accounts Payable Not Subject to Compromise	MOR-4a	X		
Accounts Receivable Aging	MOR-5	X		
Debtor Questionnaire	MOR-6	X		
Listing of Debtor Entities	Appendix A	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

Signature of Authorized Individual

8/14/2013

Date

DAVID N. VANDER PLOEG

Printed Name of Authorized Individual

CFO

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.



In Re School Specialty, Inc. et al**Chapter 11****Debtor****Case No. 13-10125 (KJC)**

MOR - 1
Schedule of Cash Receipts and Disbursements
For the period May 26, 2013 to June 29, 2013

Receipts

Accounts receivable collections		
Lockbox deposits	\$	40,013,401
Credit card receipts		7,457,004
Wires/EFTs/ACHs		3,635,740
Other		
Rent		21,398
Total Receipts		51,127,542

Disbursements

Payroll		11,976,693
Rent		536,686
Freight		5,762,939
Taxes		864,003
Inventory		41,986,767
SG&A and other		16,024,473
Total Operating Expenses		77,151,561
Net Operating Cash Flow		(26,024,019)

Non-Operating Cash Flows

ABL DIP Interest Expense	\$	385,553
ABL DIP Commitment Fee		-
ABL DIP Closing Fee		1,049,052
ABL DIP Amendment Fee		-
Term Loan DIP Interest Expense		2,079,583
Term Loan DIP Administrative Agent Fee		-
Term Loan DIP Closing Fee		1,550,000
Term Loan DIP Commitment Fee		-
Debtor Professional Fees & Expense		1,539,274
Secured Lenders' Professional Fees and Expenses		1,216,680
Expense of Secured Lender		-
US Trustees Fees		-
Unsecured Lender Professional Fees		1,568,578
Exit Financing Professional Fees & Expenses		623,392
Exit Financing Fees		71,182
Exit Financing ABL Commitment Fee		3,500,000
Exit Financing ABL Agent Fee		100,000
Exit Financing Term Loan Commitment Fee		2,900,000
Exit Financing Term Loan Underwriting Fee		4,168,750
Exit Financing Term Loan Admin Fee		100,000

Total Non-Operating Cash Flows		20,852,045
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Net Cash Flow		(46,876,064)
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In Re School Specialty, Inc. et al**Chapter 11****Debtor****Case No. 13-10125 (KJC)****MOR - 1a****Schedule of Cash Disbursements by Legal Entity
For the period May 26, 2013 to June 29, 2013**

Debtor Entity	Bankruptcy Case Number	Disbursements (1)
School Specialty, Inc.	13-10125 (KJC)	80,926,362
Delta Education, LLC (3)	13-10124 (KJC)	6,753,019
Califone International, Inc.	13-10127 (KJC)	2,081,718
Sportime, LLC (3)	13-10133 (KJC)	571,839
Classroomdirect.com, LLC (2)	13-10129 (KJC)	-
Childcraft Education, LLC (2)	13-10128 (KJC)	-
Premier Agendas, Inc. (3)	13-10131 (KJC)	7,670,669
Bird-in-Hand Woodworks, Inc. (3)	13-10126 (KJC)	-
Frey Scientific, LLC (2)	13-10130 (KJC)	-
Sax Arts and Crafts, LLC (2)	13-10132 (KJC)	-
Total Disbursements		<u>\$ 98,003,606</u>

Notes:

- 1 Disbursement amounts include all payments clearing the bank during the period. Intercompany transfers are not included.
- 2 Debtor entity does not have disbursements to report during the period.
- 3 Disbursements for Debtors were estimated based on changes within the corresponding intercompany accounts. This method was utilized in order estimate payments made by the parent entity, School Specialty, Inc., on behalf of other subsidiary debtors. The consolidated entity utilizes a centralized treasury function in which disbursements are paid from a School Specialty, Inc.-owned bank account. The activity in the transactional intercompany accounts is a proxy for cash flow for the non-parent debtors. See Cash Management motion for further details on the Debtors treasury and cash management functions.

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 1a.1**Disbursements by Legal Entity for Calculating US Trustee Fees
For the period May 26, 2013 to June 29, 2013**

Debtor Entity	April Disbursements	May Disbursements	June Disbursements	US Trustee Fees
School Specialty, Inc.	38,880,964	42,801,388	80,926,362	30,000
Delta Education, LLC	4,647,558	3,986,780	6,753,019	20,000
Califone International, Inc.	524,088	845,604	2,081,718	10,400
Sportime, LLC	662,741	429,306	571,839	6,500
Classroomdirect.com, LLC	-	-	-	325
Childcraft Education, LLC	-	-	-	325
Premier Agendas, Inc.	4,054,921	6,073,880	7,670,669	20,000
Bird-in-Hand Woodworks, Inc.	29,590	25,070	-	650
Frey Scientific, LLC	-	-	-	325
Sax Arts and Crafts, LLC	-	-	-	325
	<u>\$ 48,799,862</u>	<u>54,162,027</u>	<u>98,003,606</u>	<u>\$ 88,850</u>

Note: US Trustee fees reflected in the table above are subject to change as disbursements by debtor reflect currently reflect only one month of the quarter.

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 1a(Dec)

For the period May 26, 2013 to June 29, 2013

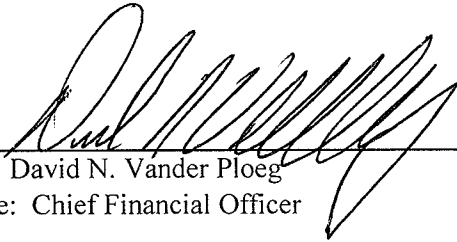
Declaration Regarding the Cash Disbursements Schedule
As of June 29, 2013

David N. Vander Ploeg hereby declares under penalty of perjury:

- 1 I am the Chief Financial Officer for School Specialty, Inc. et al, the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I am familiar with the Debtors day-to-day operations, business affairs and books and records.
- 2 The Debtors submit the Declaration regarding cash disbursements in lieu of providing copies of the cash disbursement schedules.
- 3 All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration on behalf of the Debtors.
- 4 The Debtors have, on a timely basis, disbursed approximately \$98,000,000 for post-petition and allowable pre-petition amounts for the period May 26, 2013 through June 29, 2013. Copies of the cash disbursement schedules are available for inspection upon request by the Office of the United States Trustee.

Dated August 14, 2013

Respectfully submitted,



By: David N. Vander Ploeg
Title: Chief Financial Officer

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 1b**Schedule of Professional Fees and Expenses Paid****For the period May 26, 2013 to June 29, 2013****This schedule is to include all retained professional payments from case inception to current month.**

Professional	Amounts Paid this Period Fees and Expenses	Cumulative Amount Paid Fees and Expenses
Akin, Gump, Strauss, Hauer & Feld LLP	405,000	1,738,395
Alvarez & Marsal	1,057,124	1,792,852
Andrews Advisory Group, LLC	169,845	259,899
Asset Based Lender audit/legal fees (1)	-	268,197
Baker & Mackenzie	-	189,616
Bank of America legal fees (2)	(295,508)	4,491
Blackstone	189,320	189,320
Blake, Cassels and Graydon LLP	-	1,134
Brown Rudnick LLP	1,070,222	1,973,200
Credit Suisse legal fees (3)	-	150,000
First American Trust	-	11,928
Franzoi and Franzoi SC	71,011	101,206
General Electric Capital Corporation	-	6,291
Godfrey & Kahn SC	-	218,979
Goldberg Kohn LTD	98,752	368,607
Goodmans	-	18,221
Gordon Brothers Group	-	56,055
Great American Group and Advisors Valuation Services LLC	-	24,648
IntraLinks Inc.	-	179,050
Kurtzman Carson Consultants	411,140	617,014
Paul, Weiss, Rifkind, Wharton & Garrison LLP	-	550,000
Richards Layton Finger	44,528	134,303
Stroock & Stroock	-	1,641,250
Venable	180,001	180,001
Winston & Strawn LLP	29,268	82,105
Young Conaway Stargatt & Taylor, LLP	-	259,716
	\$ 3,430,703	\$ 11,016,478

- (1) Asset-based lender audit/legal fees that were deducted directly from the Debtor's asset-based line of credit.
- (2) Exit financing asset-based lender legal fee expense reimbursement and refund of unused expense amounts
- (3) Exit financing term loan lender legal fee expense reimbursement

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 1c

For the period May 26, 2013 to June 29, 2013

Declaration Regarding the Status of Bank Reconciliations of the Debtors

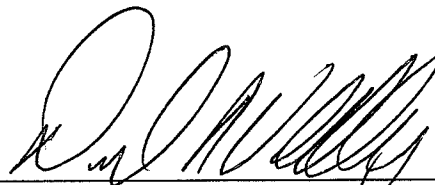
As of June 29, 2013

David N. Vander Ploeg hereby declares under penalty of perjury:

- 1 I am the Chief Financial Officer for School Specialty, Inc. et al, the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I am familiar with the Debtors day-to-day operations, business affairs and books and records.
- 2 All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration on behalf of the Debtors.
- 3 To the best of my knowledge, all of the Debtors' bank balances as of June 29, 2013 have been reconciled in an accurate and timely manner.

Dated August 14, 2013

Respectfully submitted,



By: David N. Vander Ploeg
Title: Chief Financial Officer

In Re School Specialty, Inc. et al**Chapter 11****Debtor****Case No. 13-10125 (KJC)****MOR - 1d****Schedule of Bank Accounts with Book Balances****As of June 29, 2013**

<u>Bank Account</u>	<u>Debtor</u>	<u>Book Balance</u>
JPMorgan Operating XXXXX9092	School Specialty, Inc.	5,473,700
JPMorgan Lockbox Deposit XXXXX2298	School Specialty, Inc.	-
JPMorgan Concentration XXXXX4536	School Specialty, Inc.	-
JPMorgan Credit Card Depository XXXXX0396	Delta Science LLC	510
JPMorgan Credit Card Depository XXXXXX8104	School Specialty, Inc.	159,021
JPMorgan Working Fund XXXXX1024	School Specialty, Inc.	1,500
Comerica Restricted Cash LC's XXXXXX9814	School Specialty, Inc.	700,978
JPMorgan Restricted Cash LC's XXXXXX6838	School Specialty, Inc.	262,634
JPMorgan Utility Deposit XXXXX5061	School Specialty, Inc.	550
JPMorgan Disbursement XXXX0937	Bird-in-Hand Woodworks, Inc.	371
JP Morgan Fee Claim XXXXX8317	School Specialty, Inc.	4,739,359
		<u>\$ 11,338,623</u>

Note: The above amounts exclude \$8,500 of petty cash which is reflected within the cash line of the balance sheet.

In Re School Specialty, Inc. et al

Chapter 11

Case No. 13-10125 (KJC)

Debtor

MOR - 2
Consolidated Debtor Income Statement
For the Month Ended Jun-14

	Unaudited							Classroom Direct	Consolidated Debtors
	School Specialty	Delta	Childcraft	Bird-in-Hand	Califone	Premier	Sportime		
Total Sales	44,164,285	6,985,161	62,478	-	1,626,731	10,598,307	729,905	244,520	\$ 64,411,386
Total COS	26,213,434	3,000,712	42,088	1,716	923,290	4,188,921	353,702	222,289	34,946,152
Std Cost Variances	(67,482)	(742,461)	-	(18)	-	412,876	77	-	(397,008)
FIFO Revaluation	(378,787)	544,084	-	24,528	-	-	(338)	-	189,487
Product Dev Amort	261,739	721,807	-	-	4,743	-	24,650	-	1,012,938
Freight-in	1,140,581	98,795	2,169	-	-	184,744	1,655	-	1,427,945
Other Variances	232,977	37,199	1,280	(39,869)	8,841	114,216	11,441	9,788	375,872
Actual Gross Profit	16,761,822	3,325,024	16,941	13,644	689,858	5,697,550	338,718	12,443	26,856,000
Actual Gross Margin	38.0%	47.6%	27.1%	#DIV/0!	42.4%	53.8%	46.4%	5.1%	41.7%
Administrative Exp	3,334,044	234,990	-	-	85,454	176,334	63,860	-	3,894,684
Supply Chain Exp	3,997,219	450,132	-	-	142,459	796,336	36,886	-	5,423,032
Total Selling Expense	4,969,718	996,975	-	-	74,950	1,562,283	79,158	-	7,683,085
Marketing & Merch Exp	2,181,638	364,201	-	-	107,524	101,269	85,263	-	2,839,895
One time Charges	10,185,095	-	-	-	-	75,725	-	-	10,260,820
Other	(2,277,183)	-	-	-	-	17,490	-	-	(2,259,694)
Stock Options Expense	-	-	-	-	-	-	-	-	-
Total Expenses	22,390,531	2,046,298	-	-	410,388	2,729,437	265,168	-	27,841,821
Direct Contribution Margin	(5,628,709)	1,278,726	16,941	13,644	279,470	2,968,113	73,550	12,443	(985,821)
Depreciation in COGS	2,708	-	-	(2,698)	-	(16,262)	-	-	(16,252)
Product Dev Amort in COGS	(261,739)	(721,807)	-	-	(4,743)	-	(24,650)	-	(1,012,938)
EBITDA	(5,369,678)	2,000,533	16,941	16,342	284,213	2,984,375	98,200	12,443	43,369
Depreciation	1,140,308	24,290	-	2,698	5,942	48,736	1,221	-	1,223,196
EBITA	(6,509,986)	1,976,243	16,941	13,644	278,270	2,935,639	96,979	12,443	(1,179,827)
Intangible Amortization	160,841	294,984	25,397	-	55,810	222,898	7,159	-	767,090
Product Dev Amortization	261,739	721,807	-	-	4,743	-	24,650	-	1,012,938
EBIT	(6,932,567)	959,452	(8,456)	13,644	217,718	2,712,741	65,170	12,443	(2,959,855)
Interest	2,111,607	-	-	-	-	-	-	-	2,111,607
EBT	(9,044,174)	959,452	(8,456)	13,644	217,718	2,712,741	65,170	12,443	(5,071,462)
Tax Expense	(4,469,029)	-	-	-	-	-	-	-	(4,469,029)
NI from Controlling Int	(4,575,145)	959,452	(8,456)	13,644	217,718	2,712,741	65,170	12,443	(602,434)
Tax Expense	(34,377)	-	-	-	-	-	-	-	(34,377)
Net Income	(4,540,766)	959,452	(8,456)	13,644	217,718	2,712,741	65,170	12,443	(568,057)

In Re School Specialty, Inc. et al

Debtor

MOR - 3
Consolidated Debtor Balance Sheet
For the Month Ended JUNE-14
Unaudited

	SSI	Science	Childcraft	BIRD-IN-HAND	California	Premier	Sportime	Classroom Direct	Consolidated Debtors	Preliminary Fresh Start Adjustments	Preliminary Consolidated Debtors
ASSETS											
Cash	11,336,742	1,010	871	1,500	5,500	1,500	1,500	(0)	11,347,082	-	11,347,082
Trade Accounts Receivable	52,823,439	8,779,681	2,112	1,427,175	10,737,701	598,872	(4,855)		74,364,128	-	74,364,128
Allow for Doubtful Accounts	(57,330)	27,484	-	(21,931)	(83,540)	(3,930)	49		(139,217)	-	(139,217)
Bad Debt Recovery	(176,382)	(3,856)	(676)	(5,773)	(5,773)	(16,226)	(5,486)		(208,399)	-	(208,399)
Database Credits	-	-	-	-	-	-	-		-	-	-
Database Debits	-	-	-	-	-	-	-		-	-	-
Allowance for Credits & Returns	(550,970)	(115,100)	-	(70,000)	(200,000)	(20,156)	(5,437)		(936,070)	-	(936,070)
Accts Rec Allowances	(784,702)	(914,723)	(676)	(91,031)	(389,313)	(20,156)	(5,437)		(1,283,687)	-	(1,283,687)
Net Accounts Receivable	32,038,737	8,668,309	1,436	1,335,244	10,448,389	578,716	(10,290)		73,080,441	-	73,080,441
Inventory	102,738,826	25,789,811	20,471	918,850	3,933,914	617,188	-		148,999,368	-	148,999,368
Inventory Reserve	(2,230,753)	(5,326,879)	(29,310)	(281,248)	(357,266)	(281,248)	-		(8,243,456)	-	(8,243,456)
Net Inventory	100,488,073	20,462,932	20,471	889,540	3,576,647	617,188	-		140,255,912	-	140,255,912
Receivables Other	3,940,183	97,141	-	51,859	673	112,623	1,999		4,204,478	-	4,204,478
Net Prepaid Catalog	5,372,041	747,053	-	77,954	68,774	6,263,824	-		6,263,824	-	6,263,824
Other Prepaid Expenses	3,604,711	257,750	86,311	48,213	3,039,667	95,102	-		7,131,933	-	7,131,933
Prepaid Expense & Other	12,916,933	1,101,945	86,311	178,026	3,109,113	207,725	1,999		17,602,255	-	17,602,255
TOTAL CURRENT ASSETS	176,780,488	30,254,096	21,908	976,922	5,091,418	27,762,062	1,405,129	(8,291)	242,283,731	-	242,283,731
Net Fixed Assets	34,149,257	1,621,065	-	148,518	336,030	566,301	31,169	-	36,852,340	8,000,000	28,852,340
Net Intangibles	19,775,959	70,080,929	1,584,829	6,037,201	10,252,429	207,614	-	-	107,938,960	87,340,281	20,598,679
Other Long Term Assets	20,775,035	15,769,737	-	119,064	1,575,994	958,120	-	-	39,197,949	-	39,197,949
TOTAL ASSETS	232,208,427	117,725,826	1,606,736	1,125,440	11,583,713	40,156,786	2,602,032	(8,291)	427,000,669	95,340,281	331,660,388
LIABILITIES											
AP Trade	(66,376,354)	-	-	(1,450,319)	-	-	-	-	(67,826,673)	(51,951,000)	(15,875,673)
Accrued Accts Payable	(2,374,013)	(531,981)	(12,700)	(17,699)	(1,587,572)	(1,587,572)	-	-	(4,523,965)	(657,000)	(4,523,965)
Intercompany Charges	(596,753,063)	137,038,673	65,479,696	33,812,259	202,343,630	77,291,211	67,225,912		(6,556,394)	(880,019)	(5,999,394)
Sales Leaseback Debt	(880,019)	-	-	(66,358)	(329,482)	(57,311)	-	-	(4,130,449)	-	(4,130,449)
Accrued Compensation	(2,879,720)	(513,127)	-	(1,664)	(326,986)	(107,794)	-	-	(2,563,312)	-	(2,563,312)
Net Accrued Commissions	(1,861,515)	(265,352)	(76,989)	(137,578)	(1,109,389)	(139,106)	(4,238)		(16,249,363)	(979,000)	(16,249,363)
Accrued Liabilities	(12,388,375)	(3,378,859)	6,162	6,814,499	211,332,714	79,733,314	67,221,683		(39,135,132)	(54,467,019)	(39,135,132)
TOTAL CURRENT LIABILITIES	(886,581,149)	132,230,327	63,487,720	6,814,499	32,138,640	211,332,714	67,221,683		(103,687,670)	(163,687,670)	(103,687,670)
Convertible Debt 2nd	(163,687,670)	-	-	-	-	-	-	-	(190,423,403)	(10,520,189)	(190,423,403)
Long Term Debt	(190,423,403)	-	-	-	-	-	-	-	(190,423,403)	(174,207,859)	(190,423,403)
Sales Leaseback	(10,520,189)	-	-	-	-	-	-	-	(304,631,263)	-	(304,631,263)
Total Bank & Convert Debt	(364,631,263)	-	-	-	-	-	-	-	37,034,729	-	37,034,729
Intercompany Purchase Price	530,385,416	(232,825,116)	(57,205,600)	(26,926,857)	(148,805,622)	(24,261,747)	(3,325,746)		19,400,000	(209,274,878)	(20,244,755)
Deferred Tax Liability	(844,753)	-	-	-	-	-	-	-	(844,753)	-	(844,753)
Other Long Term Liability	(520,074,783)	(100,571,688)	6,282,120	6,814,499	5,211,784	48,431,294	55,471,568	63,893,937	(209,274,878)	(225,267,394)	(225,267,394)
TOTAL LIABILITIES	(844,753)	(100,571,688)	6,282,120	6,814,499	5,211,784	48,431,294	55,471,568	63,893,937	(209,274,878)	(225,267,394)	(225,267,394)
SHAREHOLDERS' EQUITY											
Common Stock	(23,042)	-	-	-	-	-	-	(1,300)	(24,342)	-	(24,342)
Treasury Stock	186,637,112	-	-	-	-	-	-	-	186,637,112	-	186,637,112
Paid in Capital	(490,814,396)	-	-	-	-	-	-	(12,662,092)	(397,083,488)	-	(397,083,488)
Retained Earnings	622,628,255	(16,511,319)	(67,918,411)	(7,938,472)	(16,326,815)	(86,320,560)	(57,979,229)	(51,208,619)	318,204,829	-	318,204,829
Current Year Profit	9,438,429	(639,818)	29,555	18,533	(468,681)	(2,067,525)	(94,371)	(15,656)	6,200,486	-	6,200,486
Dividend Paid	(60,000,000)	-	-	-	-	-	-	-	-	-	-
CTA	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	-
Total Shareholders' Equity	267,866,358	(17,151,138)	(7,888,856)	(7,939,239)	(16,795,496)	(88,388,086)	(58,073,600)	(63,887,647)	113,934,597	(95,340,281)	(106,293,001)
TOTAL LIABILITIES & EQUITY	(252,208,427)	(117,725,826)	(1,606,736)	(1,125,440)	(11,583,713)	(40,156,786)	(2,602,032)	8,291	(252,208,427)	(95,340,281)	(331,660,388)

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 4

For the period May 26, 2013 to June 29, 2013

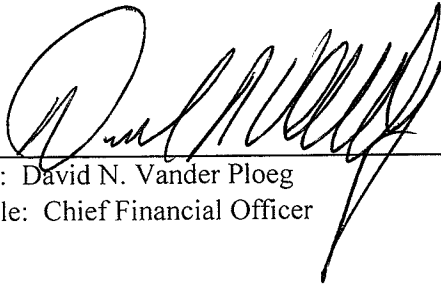
Declaration Regarding the Status of Post-Petition Taxes of the Debtors
As of June 29, 2013

David N. Vander Ploeg hereby declares under penalty of perjury:

- 1 I am the Chief Financial Officer for School Specialty, Inc. et al, the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I am familiar with the Debtors day-to-day operations, business affairs and books and records.
- 2 All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration on behalf of the Debtors.
- 3 To the best of my knowledge, all of the Debtors have filed all necessary federal, state and local tax returns and made all required post-petition tax payments in connection therewith on a timely basis or have promptly remediated any late filing or payments that may have occurred due to unintentional oversights.

Dated August 14, 2013

Respectfully submitted,



By: David N. Vander Ploeg
Title: Chief Financial Officer

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 4a

Consolidated Aging of Accounts Payable Not Subject to Compromise

	<u>Amount</u>
1 - 30 days	9,781,883
31 - 60 days	6,662,570
61 - 90 days	3,705,376
Over 90 days	5,748,536
Total gross accounts payable	<u>\$ 25,898,365</u>

In Re School Specialty, Inc. et al**Chapter 11****Debtor****Case No. 13-10125 (KJC)**

MOR - 5**Accounts Receivable Aging as of Reporting Period-End**

	<u>Amount</u>
Current (due within next 30 days)	\$ 51,594,531
Past due 1 - 30 days	\$ 14,102,209
Past due 31 - 60 days	\$ 4,226,057
Past due 61 - 90 days	\$ 1,197,753
Past due over 90 days	\$ 3,243,578
Total gross accounts receivable	<u>\$ 74,364,128</u>
	0

In Re School Specialty, Inc. et al

Chapter 11

Debtor

Case No. 13-10125 (KJC)

MOR - 6

Debtors' Questionnaire

For the period May 26, 2013 to June 29, 2013

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.	X See Note	
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	X	

Notes: This report covers a period that was both pre and post-emergence from bankruptcy. Debtors emerged from bankruptcy on June 11, 2013. All disbursements prior to emergence were from debtor in possession accounts. Payments after June 10, 2013 were not from debtor in possessions accounts.

One new bank account opened during the reporting period.

Details of the new bank account opened during the reporting period are as follows:

Purpose of account: Fee Claims Reserve Funding

Bank: JP Morgan

Account number: XXXXX8317

Date opened: June 3, 2013

In Re School Specialty, Inc. et al**Chapter 11****Debtor****Case No. 13-10125 (KJC)**

Appendix A**Listing of Debtor Entities****For the period May 26, 2013 to June 29, 2013**

Debtor Entity	Bankruptcy Case Number
School Specialty, Inc.	13-10125 (KJC)
Delta Education, LLC	13-10124 (KJC)
Califone International, Inc.	13-10127 (KJC)
Sportime, LLC	13-10133 (KJC)
Classroomdirect.com, LLC	13-10129 (KJC)
Childcraft Education, LLC	13-10128 (KJC)
Premier Agendas, Inc.	13-10131 (KJC)
Bird-in-Hand Woodworks, Inc.	13-10126 (KJC)
Frey Scientific, LLC	13-10130 (KJC)
Sax Arts and Crafts, LLC	13-10132 (KJC)