UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re School Specialty, Inc. et al

Case No. **13-10125 (KJC)**
Reporting Period: **December 28, 2014 - March 28, 2015**

POST CONFIMATION QUARTERLY SUMMARY 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 Receipts and Disbursements	PCQSR-1a	X		
Schedule of Cash Disbursements for Calculating US Trustee Fee	PCQSR-1a.a	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	PCQSR-1b		X	
Schedule of Bank Accounts with Book Balances	PCQSR-1c	X		
Statement of Operations	PCQSR-2	X		
Balance Sheet	PCQSR-3	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* — Date: 4/17/15

Kevin L. Baehler — Printed Name of Authorized Individual

CAO — 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.



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Debtor **Case No. 13-10125 (KJC)**

PCQSR - 1
Schedule of Cash Receipts and Disbursements
For the period December 28, 2014 to March 28, 2015

Receipts	
Accounts receivable collections	
Lockbox deposits	$ 47,753,671
Credit card receipts	18,547,938
Wires/EFTs/ACHs	11,707,226
Other	
Rent	-
Total Receipts	78,008,834
Disbursements	
Payroll	$ 12,845,848
Rent	1,122,491
Freight	7,148,227
Taxes	1,755,582
Inventory	57,922,817
SG&A and other	15,024,969
Total Operating Expenses	95,819,933
Net Operating Cash Flow	(17,811,099)
Non-Operating Cash Flows	
ABL Interest Expense	$ 309,841
ABL Amendment Fee	-
ABL Closing Fee	-
ABL Fees	10,215
ABL EXIT Annual Agent Fee	-
Term Loan Interest Expense	3,838,782
Term Loan Closing Fee	-
Term Loan Commitment Fee	-
Debtor Professional Fees & Expense	415,712
Secured Lender Early Termination Fee	-
Secured Lenders' Professional Fees and Expenses	325,072
Expense of Secured Lender	-
US Trustees Fees	30,000
Unsecured Lender Professional Fees	9,086
Exit Financing Professional Fees & Expenses	-
Exit Financing Fees	-
Exit Financing ABL Commitment Fee	-
Exit Financing ABL Legal Fees	-
Exit Financing Term Loan Commitment Fee	-
Exit Financing Term Loan Underwriting Fee	-
Exit Financing Term Loan Admin Fee	-
Total Non-Operating Cash Flows	4,938,708
Net Cash Flow	(22,749,807)

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Debtor **Case No. 13-10125 (KJC)**

PCQSR - 1a
Schedule of Cash Disbursements by Legal Entity
For the period December 28, 2014 to March 28, 2015

Debtor Entity	Bankruptcy Case Number	Disbursements (1)
School Specialty, Inc.	13-10125 (KJC)	100,758,641
Total Disbursements		$ 100,758,641

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.

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Debtor **Case No. 13-10125 (KJC)**

PCQSR - 1a.1
Disbursements by Legal Entity for Calculating US Trustee Fees
For the period December 28, 2014 to March 28, 2015

Debtor Entity	Disbursements	US Trustee Fees
School Specialty, Inc.	100,758,641	$ 30,000

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Debtor **Case No. 13-10125 (KJC)**

MOR - 1a(Dec)
For the period December 28, 2014 to March 28, 2015

Declaration Regarding the Cash Disbursements Schedule
As of March 28, 2015

Kevin Baehler hereby declares under penalty of perjury:

1 I am the Chief Accounting 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 $100,800,000 for post-petition and allowable pre-petition amounts for the period December 28, 2014 through March 28, 2015. Copies of the cash disbursement schedules are available for inspection upon request by the Office of the United States Trustee.

Dated April 17, 2015

Respectfully submitted,



By: Kevin Baehler
Title: Chief Accounting Officer

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Debtor **Case No. 13-10125 (KJC)**

PCQSR - 1b
For the period December 28, 2014 to March 28, 2015

Declaration Regarding the Status of Bank Reconciliations of the Debtors
As of March 28, 2015

Kevin Baehler hereby declares under penalty of perjury:

1 I am the Chief Accounting 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 March 28, 2015 have been reconciled in an accurate and timely manner.

Dated April 17, 2015

Respectfully submitted,



By: Kevin Baehler
Title: Chief Accounting Officer

In Re School Specialty, Inc. et al **Chapter 11**

Debtor **Case No. 13-10125 (KJC)**

PCQSR - 1c
Schedule of Bank Accounts with Book Balances
As of March 28, 2015

Bank Account	Debtor	Book Balance
Bank of America Operating XXXXXX7474	School Specialty, Inc.	1,188,711
Bank of America E-Tail Depository XXXXXX7479	School Specialty, Inc.	-
Bank of America Term Loan XXXXXX7493	School Specialty, Inc.	-
Bank of America Disbursements Sales & Use Tax XXXXXX7498	School Specialty, Inc.	-
Bank of America Credit Card Depository XXXXXX7870	School Specialty, Inc.	-
Bank of America Payroll XXXXXX0074	School Specialty, Inc.	-
Bank of America Medical XXXXXX0079	School Specialty, Inc.	-
Bank of America Flexible Spending XXXXXX0093	School Specialty, Inc.	-
Bank of America Disbursements XXXXXX01111	School Specialty, Inc.	-
		$ 1,188,711

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Debtor **Case No. 13-10125 (KJC)**

PCQSR - 2
Consolidated Debtor Income Statement
For the Quarter Ended March 28, 2015

Unaudited	School Specialty
Total Sales	74,302,620
Total COS	45,064,597
Std Cost Variances	(1,703,369)
FIFO Revaluation	523,377
Product Dev Amort	681,781
Freight-In	2,202,370
Other Variances	503,487
Actual Gross Profit	27,030,378
Actual Gross Margin	36.4%
Administrative Exp	6,643,966
Supply Chain Exp	7,965,266
Total Selling Expense	10,809,326
Marketing & Merch Exp	4,429,427
One time Charges	5,442,133
Other	361,301
Stock Options Expense	179,087
Total Expenses	35,830,505
Direct Contribution Margin	(8,800,127)
Depreciation in COGS	(8,087)
Product Dev Amort in COGS	(681,781)
EBITDA	(8,110,259)
Depreciation	3,127,655
EBITA	(11,237,914)
Intangible Amortization	342,734
Product Dev Amortization	681,781
EBIT	(12,262,428)
Interest	4,384,290
EBT	(16,646,719)
Tax Expense	29,452
Net Income	(16,676,171)

In Re School Specialty, Inc. et al

Debtor

PCQSR - 3
Consolidated Debtor Balance Sheet
For the Month Ended March-15
Unaudited

	SSI
ASSETS	
Cash	1,188,711
Trade Accounts Receivable	35,823,154
Allow for Doubtful Accounts	(155,202)
Bad Debt Recovery	(148,567)
Database Credits	-
Database Debits	-
Allowance for Credits & Returns	(279,257)
Accts Rec Allowances	(583,026)
Net Accounts Receivable	35,240,128
Inventory	64,257,457
Inventory Reserve	(588,850)
Net Inventory	63,668,608
Receivables Other	3,831,647
Net Prepaid Catalog	8,004,998
Other Prepaid Expenses	5,030,126
Prepaid Expense & Other	16,866,771
TOTAL CURRENT ASSETS	116,964,218
Net Fixed Assets	31,358,446
Net Intangibles	18,094,225
Other Long Term Assets	16,498,294
Minority Interest	715,000
TOTAL ASSETS	183,630,182
LIABILITIES	
AP Trade	(20,093,698)
Accrued Accts Payable	(128,309)
Intercompany Charges	(50,586,001)
Accrued Compensation	(4,100,212)
Net Accrued Commissions	(1,292,492)
Accrued Liabilities	(7,964,039)
TOTAL CURRENT LIABILTIES	(81,925,176)
Convertible Debt 2nd	-
Long Term Debt	(164,191,796)
Post Chapter 11 Loans	(17,570,433)
Total Bank & Convert Debt	(181,762,229)
Intercompany Purchase Price	174,358,396
Deferred Tax Liability	-
Other Long Term Liability	(1,364,448)
TOTAL LIABILITIES	(90,693,457)
SHAREHOLDERS' EQUITY	
Common Stock	(1,000)
Treasury Stock	-
Paid In Capital	(118,283,982)
Investment by Parent	-
Retained Earnings	(1,828,804)
Current Year Profit	27,270,603
Dividend Paid	-
CTA	(93,541)
Total Shareholders' Equity	(92,936,724)
TOTAL LIABILITIES & EQUITY	(183,630,181)

In Re School Specialty, Inc. et al **Chapter 11**

Debtor **Case No. 13-10125 (KJC)**

Appendix A
Listing of Debtor Entities
For the period December 28, 2014 to March 28, 2015

Debtor Entity	Bankruptcy Case Number
School Specialty, Inc.	13-10125 (KJC)