

V F CORP
Form 11-K
June 25, 2015
[Table of Contents](#)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

Annual Report

ANNUAL REPORT PURSUANT TO SECTION 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the final period ended January 7, 2015

Commission file number: 1-5256

VF CORPORATION RETIREMENT SAVINGS

PLAN FOR HOURLY EMPLOYEES

(Full title of plan)

VF Corporation

105 Corporate Center Blvd.

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Greensboro, NC 27408

(Address of principal executive offices)

(336) 424-6000

(Registrant's telephone number, including area code)

Table of Contents

VF CORPORATION RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

Table of Contents

	Page No.
<u>Signature</u>	3
<u>Report of Independent Registered Public Accounting Firm</u>	4
Financial Statements:	
<u>Statement of Net Assets Available for Benefits, January 7, 2015 and December 31, 2014</u>	5
<u>Statement of Changes in Net Assets Available for Benefits, For the Final Period from January 1, 2015 to January 7, 2015</u>	6
<u>Notes to Financial Statements</u>	7
Exhibit 23.1 Consent of Independent Registered Public Accounting Firm	14

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the VF Corporation Retirement Plans Committee has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

VF Corporation Retirement Savings Plan for
Hourly Employees

By: /s/ Patrick J. Guido

Vice President - Treasurer
VF Corporation

Date: June 25, 2015

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

VF Corporation Retirement Plans Committee and Participants

We have audited the accompanying statement of net assets available for benefits of VF Corporation Retirement Savings Plan for Hourly Employees (the Plan) as of January 7, 2015 and December 31, 2014 and the related statement of changes in net assets available for benefits for the final period from January 1, 2015 to January 7, 2015. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of January 7, 2015 and December 31, 2014 and the related statement of changes in net assets available for benefits for the final period from January 1, 2015 to January 7, 2015, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note A, VF Corporation, the Plan's sponsor, merged the VF Corporation Retirement Savings Plan for Hourly Employees into the VF 401k Savings Plan effective January 7, 2015.

/s/ Plante & Moran, PLLC

Clinton Township, Michigan

June 25, 2015

Table of Contents

VF CORPORATION RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	January 7, 2015	December 31, 2014
ASSETS		
Participant-directed investments at fair value		
Plan's interest in the VF Corporation Tax-Advantaged Savings Plan Master Trust	\$	\$ 22,514,911
Receivables		
VF Corporation contributions		428,650
Notes receivable from participants		1,136,660
Total receivables		1,565,310
Net assets available for benefits	\$	\$ 24,080,221

The accompanying notes are an integral part of these financial statements.

Table of Contents

VF CORPORATION RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Final Period from January 1, 2015 to January 7, 2015
Additions to net assets	
Investment loss	
Plan's interest in net investment loss of the VF Corporation Tax-Advantaged Savings Plan Master Trust	\$ (234,099)
Interest income on notes receivable from participants	572
Participant contributions	37,757
Total additions - net	(195,770)
Deductions from net assets	
Benefits paid to participants	(13,751)
Administrative expenses	(6,839)
Total deductions	(20,590)
Net change	(216,360)
Transfer to the VF 401k Savings Plan	(23,863,861)
Net assets available for benefits:	
Beginning of period	24,080,221
End of period	\$

The accompanying notes are an integral part of these financial statements.

Table of Contents

VF CORPORATION RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

Note A - Description of the Plan

The following description of VF Corporation Retirement Savings Plan for Hourly Employees (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Effective January 7, 2015, the Plan was merged into the VF 401k Savings Plan (formerly the VF Corporation Retirement Savings Plan for Salaried Employees) (the merger). All plan assets, participants, and their related account balances were transferred to the VF 401k Savings Plan. The net assets available for benefits totaling approximately \$24,000,000 (including participant notes and contribution receivables) were transferred from the Plan on January 7, 2015, and the Plan no longer exists as a stand-alone plan.

General

The Plan, which is sponsored by VF Corporation (VF or the Company), is a defined contribution plan under Section 401(k) of the Internal Revenue Code (IRC) covering hourly employees of VF who have one year of service and 1,000 hours within the one year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Hourly employees of specified VF subsidiaries may elect to contribute between 2% and 50% of their pre-tax annual compensation, as defined in the Plan, subject to certain IRC limitations. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Effective January 1, 2005, VF added a noncontributory retirement contribution feature for employees hired after December 31, 2004 and certain other eligible employees. Eligible employees automatically receive the retirement contribution feature and are not required to make participant deferrals. VF makes quarterly retirement contributions to the Plan in an amount equal to a percentage of eligible employee earnings based on each employee's continuous service with VF since January 1, 2005. VF's retirement contribution ranges from 2% of earnings for participants with less than 10 years of VF service (which is the rate currently in place for all participants in the Plan) to 5% of earnings for participants with 20 or more years of VF service. On January 1, 2015, the Plan was amended to discontinue the noncontributory retirement contribution feature.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, the Company's retirement contributions, and investment funds' earnings, and is charged with the allocation of administrative expenses, investment funds' losses, and withdrawals including benefit payments. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Dividends

Participants invested in the VF Corporation Common Stock fund may elect to receive distributions rather than reinvesting dividends within the participant account.

Vesting

Participants immediately vest in their contributions, plus actual earnings thereon. Participants vest ratably by month in the Company's contributions plus actual earnings thereon, and are fully vested after 5 years of service or normal retirement, disability or death.

Investment Options

Prior to January 7, 2015, the Plan's investments were held in the VF Corporation Tax-Advantaged Savings Plan Master Trust (VF Master Trust) of which Fidelity Management Trust Company (Fidelity) served as trustee for all Plan investments. The VF Master Trust held assets for this Plan as well as the VF 401k Savings Plan. Participants may direct the investment of their contributions and the Company's contributions into one or more formal investment options offered by the Plan, including various mutual funds, collective investment trusts, a separately managed fixed income fund, and the VF Corporation Common Stock fund, or into various other mutual funds and exchange-traded funds available through a self-directed brokerage account. Participants are not permitted to invest the Company's retirement

Table of Contents

contributions in the VF Corporation Common Stock fund, but may invest them in any of the other investment options offered by the Plan. If a participant does not direct the investment of contributions, they will be invested in the age-appropriate target date fund. Participants may change their deferral percentage and investment direction at any time.

Payment of Benefits

Participants may withdraw the vested value of their accounts upon retirement, disability, death or termination of employment. Participants may elect to receive distributions in a lump sum or accounts may be rolled over into another IRS-approved tax deferral account. Participants with account balances in excess of \$1,000 may leave their account in the Plan. Hardship withdrawals are permitted upon demonstration of financial hardship. All fully vested balances are available for distribution after the participant reaches the age of 59 ½.

Forfeitures

Forfeitures are used to reduce future retirement contributions, make corrections or pay plan expenses. Unused forfeitures at December 31, 2014 totaled approximately \$308,000. During the final period from January 1, 2015 through January 7, 2015, no forfeitures were used and all unused forfeiture balances were transferred in the merger.

Notes Receivable from Participants

Participants may borrow the lesser of \$50,000 or 50% of their vested account balance. They may borrow only from their employee contribution and rollover account balances. They may not borrow from the retirement contribution account balances. Notes receivable are collateralized by the participant's account balance. Participants are charged interest at the prime rate as published in the Wall Street Journal at the time of the loan and they must repay the principal within 60 months, or 120 months if the loan is for the purchase of their primary residence. Payments are made through payroll deductions. At termination of employment, a participant may elect to continue paying their outstanding loan directly through Fidelity.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Investment Valuation and Income Recognition

The Plan's allocated share of the VF Master Trust's net assets and investment income, prior to the merger, is based on the total of each individual participant's share of the VF Master Trust. The investments of the VF Master Trust are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note F for discussion of fair value measurements. Purchases and sales of securities, including gains and losses thereon, are recorded on the trade date. Dividends are recorded on the ex-dividend date, and interest is recorded as earned on the accrual basis. Net appreciation (depreciation) in fair value of investments includes the Plan's share of the VF Master Trust's gains and losses on investments bought and sold as well as held during the period.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are classified as distributions based on the terms of the Plan document.

Payment of Benefits

Benefits paid to participants are recorded upon distribution.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or VF, as provided by the Plan document. VF did not pay any expenses on behalf of the Plan during the final period ended January 7, 2015. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan. Expenses relating to specific participant transactions (notes receivable from participants and distributions) are charged directly to the participant's account.

Table of Contents

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates and assumptions.

Note C - Tax Status

The Internal Revenue Service (the IRS) has determined and informed the Company by a letter dated September 17, 2013, that the Plan was designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter. However, the Company believes that the Plan is designed and operated in compliance with the applicable provisions of the IRC. Therefore, the Company believes the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan, and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements as of January 7, 2015 and December 31, 2014. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2011.

Note D - Exempt Related Party Transactions

Certain plan investments are managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid to Fidelity by the Plan for investment management services were included as a reduction of the return earned on each fund. In addition, fees paid directly to Fidelity for administrative services were approximately \$7,000 for the final period ended January 7, 2015.

The Plan also invests in the common stock of the Plan sponsor, and, therefore, transactions in these securities also qualify as exempt party-in-interest transactions.

Note E - Investments in the Master Trust

All the Plan's investments were included in the VF Master Trust prior to the merger. The VF Master Trust was established for the investment of assets of this Plan and the VF 401k Savings Plan. Prior to the merger, each participating retirement plan's interest in the VF Master Trust was based on account balances of the participants and their elected investment options. At January 7, 2015, the Plan had no remaining interest in the VF Master Trust as all remaining assets were transferred to the VF 401k Savings Plan, and the VF Master Trust became a single plan trust. At December 31, 2014, the Plan's interest in the net amounts of the VF Master Trust was approximately 2.5%. Investment income, losses and administrative expenses relating to the VF Master Trust are allocated to the individual plans based upon average balances invested by each plan during the final period from January 1, 2015 to January 7, 2015.

Table of Contents

The following table presents the total investments of the VF Master Trust:

	December 31, 2014
Investments at fair value:	
Mutual funds	\$ 82,988,199
Collective investment trusts	512,489,852
Self-directed brokerage accounts	18,372,975
Separately managed fixed income fund	34,129,986
VF Corporation Common Stock fund	246,964,383
Total assets of the VF Master Trust	\$ 894,945,395

Investment income (loss) for the VF Master Trust was as follows:

	Final Period Ended January 7, 2015
Investment income (loss):	
Net appreciation (depreciation) in fair value of investments:	
Mutual funds	\$ 60,189
Collective investment trusts	(7,091,997)
Self-directed brokerage accounts - primarily mutual funds	(152,525)
Separately managed fixed income fund - primarily debt securities	57,988
VF Corporation Common Stock Fund	(4,073,861)
Total	(11,200,206)
Interest and dividends	1,102
	(\$ 11,199,104)

At December 31, 2014, the VF Master Trust held 3,238,514 shares of VF Corporation Common Stock, with a fair value of \$242,564,699 and a cost basis of \$33,500,525. During the final period ended January 7, 2015, there was no VF Corporation Common Stock dividend income recorded by the VF Master Trust.

Table of Contents

Note F - Fair Value Measurements

Accounting standards provide a three-level hierarchy that prioritizes inputs to valuation techniques used to measure and report financial assets and financial liabilities at fair value. The hierarchy is based on the observability and objectivity of pricing inputs, as follows:

Level 1 Quoted prices for identical assets or liabilities in active markets accessible by the Plan.

Level 2 Significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in inactive markets, (iii) inputs other than quoted prices that are observable for the asset or liability, or (iv) information derived from or corroborated by observable market data.

Level 3 Significant unobservable inputs, therefore requiring an entity to develop its own assumptions. Financial assets and financial liabilities are classified within the hierarchy based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for the underlying assets of the VF Master Trust measured at fair value. There have been no changes in the methodologies used at January 7, 2015 and December 31, 2014.

Mutual funds These funds are valued using the quoted net asset value (NAV) of shares held by the Plan.

Collective investment trusts These funds are valued at the NAV per share of the individual collective trusts included in each respective fund, which is based on the fair value of the underlying net assets.

Self-directed brokerage accounts These accounts may include mutual funds valued using the quoted NAV of shares held in the accounts, common stock, or exchange-traded funds valued at the closing price reported in the active market in which the securities are traded.

Separately managed fixed income fund This fund invests in U.S. Treasury and government agency securities and temporary investments. U.S. Treasury securities are valued at the closing price in the active market in which the individual securities are traded. Other U.S. government and related agency securities are valued based on the closing price reported in the active market in which the individual securities are traded or based on yields currently available on comparable securities of issuers with similar credit ratings. The temporary investments are valued at fair value based on their outstanding balances.

VF Corporation Common Stock fund This fund is a unitized fund which invests in VF Corporation Common Stock and short-term investments. The Common Stock is valued at the closing price reported in the active market in which the security is traded. The short-term investments are valued at fair value based on their outstanding balances. The common stock portion of the unitized fund is classified as a Level 1 investment and the short-term investment portion of the unitized fund is classified as a Level 2 investment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Table of Contents

The following table sets forth, by level within the fair value hierarchy, the underlying assets in the VF Master Trust as of December 31, 2014:

	Fair Value Measurement Using:			
	Total Fair Value	(Level 1)	(Level 2)	(Level 3)
Mutual funds				
U.S. equity	\$ 3,823,494	\$ 3,823,494	\$	\$
Non-U.S. equity	453,335	453,335		
Target date	11,447,701	11,447,701		
Fixed income	24,819,013	24,819,013		
Money market	42,444,656	42,444,656		
Collective investment trusts				
U.S. equity index ^(a)	188,217,414		188,217,414	
Non-U.S. equity ^(b)	33,162,131		33,162,131	
Target date ^(c)	291,068,676		291,068,676	
Hybrid (Fixed income/equity) ^(d)	41,631		41,631	
Self-directed brokerage accounts	18,372,975	18,372,975		
Separately managed fixed income fund	34,129,986		34,129,986	
VF Corporation Common Stock fund	246,964,383	242,564,699	4,399,684	
Total	\$ 894,945,395	\$ 343,925,873	\$ 551,019,522	\$

- (a) This investment class seeks to track a U.S. equity index by investing in securities through one or a series of collective investment trusts. The funds may invest in futures contracts or similar assets to act as a temporary substitute for investment securities.
- (b) This investment class primarily invests in stocks that make up the Morgan Stanley Capital International All Country World Index Ex-U.S. investable market index through one or a series of collective investment trusts in order to match the return of that index. The funds may invest in futures contracts or similar assets to act as a temporary substitute for investment securities.
- (c) This investment class invests in a diversified combination of equity, fixed income, and short-term funds with the goal of becoming more conservative as the investor gets closer to retirement.
- (d) This investment class invests in diversified and real return asset classes. The fund invests in common stock and other forms of equity securities, depository receipts, investment company shares, fixed income securities and other debt obligations, securities issued by publicly-traded real estate companies, futures contracts, and other structured investments through a series of collective trusts.

There were no unfunded commitments or redemption restrictions on the investments described above.

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the end of the reporting period.

The Plan also holds other assets and liabilities not measured at fair value on a recurring basis, including employer contributions receivable. The fair value of these assets approximates the carrying amounts in the accompanying financial statements due to the short maturity of the instruments. Under the fair value hierarchy, these financial

instruments are valued primarily using Level 3 inputs.

Table of Contents

Note G - Plan Merger

VF has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. As discussed in Note A, effective January 7, 2015, all plan assets, participants, and their related account balances were transferred to the VF 401k Savings Plan (formerly the VF Corporation Retirements Savings Plan for Salaried Employees), and the Plan no longer exists as a stand-alone plan. In addition, as a result of the merger, the VF Master Trust is now a single plan trust.