

CPI AEROSTRUCTURES INC

Form 10-Q

May 09, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period
ended March 31, 2012

Commission File Number 1-11398

CPI AEROSTRUCTURES, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation or organization)

11-2520310
(IRS Employer Identification Number)

91 Heartland Blvd., Edgewood, NY
(Address of principal executive offices)

11717
(zip code)

(631) 586-5200
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See 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 Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 7, 2012, the number of shares of common stock, par value \$.001 per share, outstanding was 7,007,719.

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CPI AEROSTRUCTURES, INC.

Part I - Financial Information

Item 1 – Financial Statements

CONDENSED BALANCE SHEETS

	March 31, 2012 (Unaudited)	December 31, 2011 (Note 1)
ASSETS		
Current Assets:		
Cash	\$530,578	\$878,200
Accounts receivable, net	8,209,188	4,285,570
Costs and estimated earnings in excess of billings on uncompleted Contracts	82,583,986	79,010,362
Deferred income taxes	257,000	257,000
Prepaid expenses and other current assets	450,452	662,326
Total current assets	92,031,204	85,093,458
Plant and equipment, net	2,990,250	2,629,569
Deferred income taxes	1,155,000	1,105,000
Other assets	108,080	112,080
Total Assets	\$96,284,534	\$88,940,107
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$11,721,567	\$11,998,244
Accrued expenses	211,373	994,398
Current portion of long-term debt	1,694,480	887,380
Line of credit	17,600,000	16,100,000
Income tax payable	2,630,000	2,802,000
Deferred income taxes	125,000	125,000
Total current liabilities	33,982,420	32,907,022
Long-term debt, net of current portion	4,351,306	889,239
Deferred income taxes	660,000	660,000
Other liabilities	518,597	457,639
Total Liabilities	39,512,323	34,913,900
Shareholders' Equity:		
Common stock - \$.001 par value; authorized 50,000,000 shares, issued 7,007,719 and 7,079,638 shares, respectively, and outstanding 7,007,719 and 6,946,381 shares, respectively	7,008	7,080
Additional paid-in capital	35,058,081	35,346,273
Retained earnings	21,754,172	19,834,852

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Accumulated other comprehensive loss	(47,050)	(21,772)
Treasury stock, 0 and 133,257 shares, respectively (at cost)	----	(1,140,226)
Total Shareholders' Equity	56,772,211	54,026,207
Total Liabilities and Shareholders' Equity	\$96,284,534	\$88,940,107

See Notes to Condensed Financial Statements

CPI AEROSTRUCTURES, INC.

CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the Three Months Ended March 31,		
	2012	2011
	(Unaudited)	(Unaudited)
Revenue	\$19,721,095	\$16,009,608
Cost of sales	14,756,709	12,159,504
Gross profit	4,964,386	3,850,104
Selling, general and administrative expenses	2,104,881	1,800,422
Income from operations	2,859,505	2,049,682
Interest expense	149,185	37,632
Income before provision for income taxes	2,710,320	2,012,050
Provision for income taxes	791,000	644,000
Net income	1,919,320	1,368,050
Other comprehensive income (loss), net of tax		
Change in unrealized loss – interest rate swap	(25,278)	7,736
Comprehensive Income	\$1,894,042	\$1,375,786
Income per common share – basic	\$0.28	\$0.20
Income per common share – diluted	\$0.27	\$0.19
Shares used in computing income per common share:		
Basic	6,952,910	6,795,229
Diluted	7,228,061	7,193,073

See Notes to Condensed Financial Statements

CPI AEROSTRUCTURES, INC

CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock Shares	Amount	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at January 1, 2011	6,911,570	\$ 6,912	\$ 33,272,237	\$ 12,417,924	\$ (981,226)	\$ (45,404)	\$ 44,670,443
Net Income	----	----	----	1,368,050	----	----	1,368,050
Change in unrealized loss from interest rate swap	----	----	----	----	----	7,736	7,736
Common stock issued upon exercise of options	35,000	35	278,215	----	----	----	278,250
Stock compensation expense	----	----	286,806	----	----	----	286,806
Treasury stock acquired	----	----	----	----	(159,000)	----	