

CPI AEROSTRUCTURES INC

Form 10-Q

May 06, 2011

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, 2011

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)

60 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 April 25, 2011, the number of shares of common stock, par value \$.001 per share, outstanding was 6,813,313.

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Part I - Financial Information

Item 1 – Financial Statements

CONDENSED BALANCE SHEETS

	March 31 2011 (Unaudited)	December 31 2010 (Note 1)
ASSETS		
Current Assets:		
Cash	\$ 285,190	\$ 823,376
Accounts receivable, net	4,845,168	6,152,544
Costs and estimated earnings in excess of billings on uncompleted contracts	55,299,034	47,165,166
Prepaid expenses and other current assets	516,496	606,369
Total current assets	60,945,888	54,747,455
Plant and equipment, net	1,175,849	881,915
Deferred income taxes	670,000	668,000
Other assets	29,313	159,817
Total Assets	\$ 62,821,050	\$ 56,457,187
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 9,635,234	\$ 8,267,330
Accrued expenses	156,988	301,941
Current portion of long-term debt	777,081	685,008
Line of credit	3,700,000	800,000
Income tax payable	600,006	182,000
Deferred income taxes	182,000	134,006
Total current liabilities	15,051,309	10,370,285
Long-term debt, net of current portion	1,103,299	1,190,097
Other liabilities	214,158	226,362
Total Liabilities	16,368,766	11,786,744
Shareholders' Equity:		
Common stock - \$.001 par value; authorized 50,000,000 shares, issued 6,946,570 and 6,911,570 shares, respectively, and outstanding 6,813,313 and 6,789,736 shares, respectively	6,947	6,912
Additional paid-in capital	33,837,257	33,272,237
Retained earnings	13,785,974	12,417,924
Accumulated other comprehensive loss	(37,668)	(45,404)
	(1,140,226)	(981,226)

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Treasury stock, 133,257 and 121,834 shares, respectively (at cost)

Total Shareholders' Equity	46,452,284	44,670,443
Total Liabilities and Shareholders' Equity	\$ 62,821,050	\$ 56,457,187

See Notes to Condensed Financial Statements

CPI AEROSTRUCTURES, INC.
CONDENSED INCOME STATEMENTS

	For the Three Months Ended	
	March 31,	
	2011	2010
	(Unaudited)	
Revenue	\$16,009,608	\$11,005,529
Cost of sales	12,159,504	8,256,447
Gross profit	3,850,104	2,749,082
Selling, general and administrative expenses	1,800,422	1,385,627
Income from operations	2,049,682	1,363,455
Interest expense	37,632	59,640
Income before provision for income taxes	2,012,050	1,303,815
Provision for income taxes	644,000	443,000
Net income	\$1,368,050	\$860,815
Income per common share – basic	\$0.20	\$0.14
Income per common share – diluted	\$0.19	\$0.14
Weighted average shares used in computing income per common share:		
Basic	6,795,229	6,037,373
Diluted	7,193,073	6,217,024