

SYNALLOY CORP
Form 10-Q
August 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 July 3, 2010

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

For the Transition Period From _____ to _____
Commission file number 0-19687

SYNALLOY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

57-0426694
(IRS Employer
Identification Number)

2155 West Croft Circle
Spartanburg, South Carolina
(Address of principal executive
offices)

29302
(Zip code)

(864) 585-3605
(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 (X) 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 (X)

(Not yet applicable to Registrant)

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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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Larger accelerated filer () Accelerated filer ()
Non-accelerated filer () (Do not check if a smaller reporting company) (X)

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

The number of shares outstanding of the registrant's common stock as of August 12, 2010 was 6,285,374.

Synalloy Corporation

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PART I

Item 1. FINANCIAL STATEMENTS

Synalloy Corporation

Condensed Consolidated Balance Sheets

	Jul 3, 2010 (Unaudited)	Jan 2, 2010 (Note)
Assets		
Current assets		
Cash and cash equivalents	\$98,955	\$14,096,557
Accounts receivable, less allowance for doubtful accounts	19,891,679	14,041,130
Inventories		
Raw materials	13,739,782	8,639,078
Work-in-process	12,616,009	8,418,840
Finished goods	9,334,183	8,446,406
Total inventories	35,689,974	25,504,324
Income taxes receivable	623,128	919,743
Deferred income taxes	1,832,545	1,702,000
Prepaid expenses and other current assets	268,251	636,680
Total current assets	58,404,532	56,900,434
Cash value of life insurance	3,011,800	2,959,637
Property, plant & equipment, net of accumulated depreciation of \$37,386,897 and \$36,732,950	18,342,406	15,796,882
Goodwill	2,354,730	2,354,730
Deferred charges, net	244,272	240,000
Total assets	\$82,357,740	\$78,251,683
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$10,517,668	\$6,581,631
Accrued expenses	4,123,907	5,820,748
Current portion of environmental reserves	237,185	375,000
Total current liabilities	14,878,760	12,777,379
Long-term debt	2,312,810	-
Environmental reserves	750,000	750,000
Deferred compensation	312,076	380,562
Deferred income taxes	1,623,000	1,623,000
Shareholders' equity		
Common stock, par value \$1 per share - authorized 12,000,000 shares; issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	872,906	856,021
Retained earnings	68,692,687	69,113,403
Less cost of Common Stock in treasury: 1,714,626 and 1,733,424 shares	(15,084,499)	(15,248,682)

Total shareholders' equity	62,481,094	62,720,742
Total liabilities and shareholders' equity	\$82,357,740	\$78,251,683

Note: The balance sheet at January 2, 2010 has been derived from the audited consolidated financial statements at that date.

See accompanying notes to condensed consolidated financial statements.

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Synalloy Corporation
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Six Months Ended	
	Jul 3, 2010	Jul 4, 2009	Jul 3, 2010	Jul 4, 2009
Net sales	\$ 36,348,685	\$21,691,595	\$71,549,289	\$52,084,899
Cost of goods sold	32,138,412	19,707,367	64,589,355	47,184,542