

CPI AEROSTRUCTURES INC
Form 10-Q
August 11, 2010

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 June 30, 2010

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)

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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 August 6, 2010, the number of shares of common stock, par value \$.001 per share, outstanding was 6,650,756.

Part I - Financial Information

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CPI AEROSTRUCTURES, INC.

Part I - Financial Information

Item 1 – Financial Statements

CONDENSED BALANCE SHEETS

	June 30,	December 31
		2010 2009
		(Unaudited) (Note
		1)
ASSETS		
Current Assets:		
Cash	\$ 774,326	\$2,224,825
Accounts receivable, net	2,735,045	5,403,932
Costs and estimated earnings in excess of billings on uncompleted contracts	49,042,816	43,018,221
Prepaid expenses and other current assets	352,647	451,068
Total current assets	52,904,834	51,098,046
Plant and equipment, net	873,058	853,820
Deferred income taxes	697,000	526,000
Other assets	29,313	59,265
Total Assets	\$54,504,205	\$52,537,131
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$5,402,271	\$5,859,182
Accrued expenses	203,901	610,448
Current portion of long-term debt	685,810	636,592
Line of credit	0	2,200,000
Income tax payable	1,327,006	2,368,374
Deferred income taxes	305,000	305,000
Total current liabilities	7,923,988	11,979,596
Long-term debt, net of current portion	1,519,266	1,801,357
Other liabilities	239,571	238,664
Total Liabilities	9,682,825	14,019,617
Shareholders' Equity:		
Common stock - \$.001 par value; authorized 50,000,000 shares, issued 6,772,590 and 6,122,524 shares, respectively, and outstanding 6,650,756 and 6,033,690 shares, respectively	6,773	6,123
Additional paid-in capital	31,897,934	27,369,043
Retained earnings	13,954,096	11,888,028
Accumulated other comprehensive loss	(56,197)	(52,874)
Treasury stock, 121,834 and 88,834 shares, respectively (at cost)	(981,226)	(692,806)

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Total Shareholders' Equity	44,821,380	38,517,514
Total Liabilities and Shareholders' Equity	\$54,504,205	\$52,537,131

See Notes to Condensed Financial Statements

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CPI AEROSTRUCTURES, INC.

CONDENSED INCOME STATEMENTS

For the Three Months Ended For the Six Months Ended
 June 30, June 30,
 2010 2009 2010 2009
 (Unaudited) (Unaudited)

Revenue	\$12,544,625	\$11,437,691	\$23,550,154	\$21,128,926
Cost of sales	9,193,296	8,605,436	17,449,743	16,233,775
Gross profit	3,351,329	2,832,255	6,100,411	4,895,151
Selling, general and administrative expenses	1,484,741	1,386,064	2,870,368	2,575,294
Income from operations	1,866,588	1,446,191	3,230,043	2,319,857
Interest expense	40,334	56,702	99,975	103,447
Income before provision for income taxes	1,826,254	1,389,489	3,130,068	2,216,410
Provision for income taxes	621,000	486,000	1,064,000	767,000
Net income	\$1,205,254	\$903,489	\$2,066,068	\$1,449,410