

SYNALLOY CORP
Form 10-Q
November 03, 2008

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 September 27, 2008

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 is a large accelerated filer, an accelerated file, a non-accelerated file 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 (X)

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Non-accelerated filer () (Do not check if a smallerSmaller reporting reporting company) company ()

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

The number of shares outstanding of the registrant's common stock as of October 31, 2008 was 6,247,534.

Synalloy Corporation

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PART I

Item 1. FINANCIAL
STATEMENTSSynalloy Corporation
Condensed Consolidated

Balance Sheets	Sep 27, 2008 (Unaudited)	Dec 29, 2007 (Note)
Assets		
Current assets		
Cash and cash equivalents	\$ 27,874	\$ 28,269
Accounts receivable, less allowance for doubtful accounts	26,240,288	19,887,556
Inventories		
Raw materials	19,742,786	9,218,395
Work-in-process	19,193,453	28,824,639
Finished goods	13,835,752	10,758,064
Total inventories	52,771,991	48,801,098
Deferred income taxes	2,596,949	2,284,000
Prepaid expenses and other current assets	271,385	433,250
Total current assets	81,908,487	71,434,173
Cash value of life insurance	2,845,022	2,805,500
Property, plant & equipment, net of accumulated depreciation of \$42,719,000 and \$40,374,000	21,798,401	20,858,606
Deferred charges and other assets	1,485,329	1,523,021
Total assets	\$ 108,037,239	\$ 96,621,300
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 466,667	\$ 466,667
Accounts payable	18,397,312	13,029,172
Accrued expenses	8,187,480	10,772,331
Current portion of environmental reserves	544,094	467,371
Income taxes payable	814,072	-
Total current liabilities	28,409,625	24,735,541
Long-term debt	12,777,170	10,246,015
Environmental reserves	580,000	580,000
Deferred compensation	379,500	409,462

Deferred income taxes	2,566,000	2,510,000
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	698,204	532,860
Retained earnings	70,042,932	65,113,597
Less cost of Common Stock in treasury: 1,752,466 and 1,762,695 shares	(15,416,192)	(15,506,175)
Total shareholders' equity	63,324,944	58,140,282

Total liabilities and shareholders' equity	\$ 108,037,239	\$ 96,621,300
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Note: The balance sheet at December 29, 2007 has been derived from the audited consolidated financial statements at that date.

See accompanying notes to condensed consolidated financial statements.

Synalloy
 Corporation
 Condensed Consolidated Statements of Income

(Unaudited)	Three Months Ended		Nine Months Ended	
	Sep 27, 2008	Sep 29, 2007	Sep 27, 2008	Sep 29, 2007
Net sales	\$ 45,091,769	\$ 51,515,183	\$ 148,987,452	\$ 139,854,448
Cost of goods sold	40,383,251	44,539,138	129,548,103	115,745,273